

The National Underwriter

LIFE INSURANCE

FRIDAY, DECEMBER 7, 1934

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CLASSIFY YOURSELF

From a pamphlet issued by the United States Government, the following table is compiled, showing how three men divide their incomes:

	Tightwad	Spendthrift	Thrifty Man
Living Expenses	37%	58%	50%
Education	1%	1%	10%
Giving	1%	1%	10%
Recreation	1%	40%	10%
Savings	60%	20%
	<hr/> 100%	<hr/> 100%	<hr/> 100%

An examination of this table will show that the Tightwad is extremely selfish. He devotes most of his income to Living Expenses and Savings. The Spendthrift, who spends nearly all his income for Recreation and Living Expenses, is also terribly selfish.

The Thrifty Man is the only man who is wholesome. He is sensible as to his Living Expenses and moderate as to Education, Recreation, and Giving. Such a man comes near to being a fine American citizen.

This table is recommended for study and thought. Self-classification will prove to be interesting. Try it, in order to decide where you belong and, incidentally, to determine which class promises to make the most contented citizen.

Incidentally, you might think also of Life Insurance in connection with Savings. There is nothing in all the world more certain and satisfactory in this respect than Life Insurance, and The Northwestern Mutual Life Insurance Company is prepared to serve your every need for Life Insurance. It has Agents everywhere, who will be glad to render expert advice to all who apply. Call them up and consult them freely—and frequently.

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY
Milwaukee, Wisconsin

Sell a man the importance of a Program of Life Insurance designed to suit his particular situation and he will be interested in buying the policy or policies necessary to complete his Program as fast as his means permit.

The headline of the Metropolitan's message in the December magazines* "Picture a Life Insurance Program built especially for you" is a suggestion which may help to solve successfully many of your prospect's problems.

Even though a man is unable to make more than a modest start in carrying out his Program, he is likely to be interested in a thoughtful plan laid out especially for him.

*Business Week, Collier's, Cosmopolitan, Forbes, Nation's Business, Saturday Evening Post, Time.



**METROPOLITAN LIFE
INSURANCE COMPANY**

Frederick H. Ecker, President

ONE MADISON AVE., NEW YORK, N. Y.



**"...we
present
again**

DANIEL STARK"

WELCOME WORDS, these, to the hundreds of thousands of family men who tune in on Union Central Life's "Roses and Drums" every Sunday.

True, they tune in to hear the intensely dramatic show, but they are also vitally interested in Daniel Stark's brief stories of his experiences in life insurance. Proof of that is seen in the thousands of letters they write, asking for further information on policies that Daniel Stark has told them about. Direct leads for Union Central salesmen!

This month Daniel Stark is telling "Roses and Drums" listeners about a new Union Central policy—the Multiple Protection Plan. At a cost the prospect can easily afford, this plan gives the complete protection every man wants both for his family's future and his own.

Tune in on the "Roses and Drums" program any Sunday at 5:00 P. M. Eastern Standard Time, over the NBC Basic Blue network and added stations. See for yourself why Daniel Stark's radio talks have been so successful in laying the foundation for additional sales by Union Central Agents.

The
UNION CENTRAL
Life Insurance Company

CINCINNATI

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Eighth Year—No. 49

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, DECEMBER 7, 1934

\$3.00 Per Year, 15 Cents a Copy

Valuations Main Florida Subject

Commissioners at St. Petersburg
Pass Up the Heavy Thinking
to Successors

CONVENTION IS LISTLESS

So Many Going Out of Office Soon
That Decisions Are Not
Attempted

By LEVERING CARTWRIGHT

ST. PETERSBURG, FLA., Dec. 6.—The National Convention of Insurance Commissioners in annual session here sandwiched in few important business decisions between periods of fishing, bathing, both sun and water, motoring, golfing, and otherwise absorbing vitamin D. This was a great gathering of lame ducks and many of the commissioners were out to take a last wistful fling at the collateral joys of office. A certain number of decisions had to be made and the routine of the convention performed, but zest and earnestness were lacking on the part of many commissioners whose immediate personal future is in doubt.

The important decisions were disposed of in a cut and dried manner. No one wanted to start an argument.

Valuation Big Topic

All eyes were focused on the problem of valuation of securities, although this was not the emergency matter it has been for the last two or three years. The convention, without discussion, adopted the resolution presented by the committee and which is reproduced verbatim in other columns. It means that fire and casualty companies, by and large, will go practically on a market value basis, unless the law permits and they desire to amortize their bonds. Section 3 was drafted particularly with the situation of the fraternalists and other large holders of municipal bonds in mind. It appears to be a crazy quilt on first and second reading. Some say it is ambiguous but they do not object to it on that ground, as they feel it will provide a certain latitude for judgment. Those who have analyzed it say it is somewhat more liberal than last year's provisions.

The provision for taking into account the aggregate investment experience of life companies is similar to a provision of last year's formula and was framed to cover a few specific situations.

Wanted Permanent Formula

Some of the serious minded camp followers were advocating some valuation formula, other than market, which could be applied automatically year after year. For instance, the average of quotations at four quarters during the year. However, such a proposal will be deferred until a new batch of commissioners is

Text of Resolution on Valuation of Securities

ST. PETERSBURG, FLA., Dec. 6.—Following is the resolution on valuation of securities as adopted by the National Convention of Insurance Commissioners in St. Petersburg. It was adopted by the committee Monday morning with only one change as compared with the statement agreed upon several weeks ago by the committee in session in New York. The change consisted of the insertion of the language "Provinces of Canada" in paragraph 3 below:

Resolved, that the committee on valuation of securities of the National Convention of Insurance Commissioners recommends the following basis of valuing stocks and bonds for the inventory of such securities in the annual statements of insurance companies as of Dec. 31, 1934:

Exceptions Are Given

1. Stocks and bonds should be valued at market quotations of Dec. 31, 1934, except as hereinafter provided.
2. All bonds amply secured and not in default should be valued on an amortized basis wherever permitted by law.
3. Bonds of states of the United States, provinces of Canada, and political subdivisions thereof, not eligible to amortization, should be valued at the convention values as of Dec. 31, 1933, except that where such bonds shall have been in default for a period longer than two years prior to Nov. 1, 1934, the values should be the convention values as of Dec. 31, 1931, less 30 per cent of the difference between such values and the market quotations of Nov. 1, 1934.

installed ready to attack the big issues with a fresh spirit.

At the executive session of the convention Wednesday evening a resolution was presented by a special committee requesting appointment of a committee to draft a statute under which the authority of commissioners and the appropriate courts would be extended in the handling of liquidations and rehabilitations. The objective is closer control of such matters.

The executive session was scheduled for the afternoon but the golfers secured postponement until evening.

Select Seattle for 1935

The executive committee Monday afternoon selected Seattle for the 1935 annual meeting on invitation of Commissioner Sullivan of Washington. At the same time the committee adopted a resolution recommending that hereafter there be only two gatherings a year, one in December in New York and the other—the annual meeting—in June in whatever place might be selected.

Insurance Director Palmer of Illinois and Superintendent Van Schaick of New York contended the ideal arrangement would be to meet in New York in December and Chicago in June. They said they are opposed to the junket type of convention. Others, however, said the commissioners were entitled to the relaxation and enjoyment of a convention de luxe and their view prevailed.

An incidental feature of the resolution

Such bonds acquired since Dec. 31, 1931, except by exchange for betterment of portfolio, should be valued at market quotations of Dec. 31, 1934.

Further Procedure

Further Resolved, that the cost or book value of stocks, whichever is lower in the aggregate held by life insurance companies, as of Dec. 31, 1934, may be used in the aggregate as the fair market value of such stocks provided the income received by such companies on such stocks during each of the five years preceding the date of valuation shall have been at the rate sufficient to meet the interest required to maintain policy reserves and other policy obligations, and provided further that the net investment income received by such companies on their ledger assets shall not have been less than required to maintain the reserve. This shall not apply to stocks of corporations in receivership or similar status. Cost as used herein shall be held to include stocks received as exchanges or rights received as dividends or otherwise at not to exceed the market value quoted on the date acquired.

Further resolved, that in cases where the condition of insurance companies may require the immediate disposition of securities, it is the opinion of this committee that the discretion of the state supervisory officials of insurance should be exercised to vary the general formula herein set forth, so as to adopt prices reflected by the exchanges.

was that the executive committee should appear on the scene reasonably in advance of the June convention so as to clear the decks and line up the matters to be referred to the general sessions.

Commissioner Sullivan, in thanking the committee for its decision, said a boat trip to Alaska might be arranged in connection with the convention. The only other invitation for 1935 sponsored by a commissioner was that of Grand Rapids, for which Gauss of Michigan put in a good word.

Securities Commission Situation

The only other business before the executive committee was a report by Boney of North Carolina as chairman of the committee to take up with the Federal Securities Exchange Commission the matter of obtaining exemption of insurance company stocks from the purview of that commission. Mr. Boney recalled that in August a brief on the subject had been filed with the commission, but said there had been no response. Mr. Palmer, a member of that committee, said that a fire company recently had qualified a new issue of stock with the commission at considerable expense and with much red tape. He suggested that this might set a precedent. The question necessarily was left in the air, with the committee instructed to keep in touch with the Washington authorities.

Wednesday's sessions were held in the auditorium of the municipal pier. Presi-

(CONTINUED ON PAGE 18)

Fraternalists Are Holding Sessions

Consider Commissioners' Resolution
on Valuation of Securities,
Especially Municipals

IN MID-WINTER MEETING

Leaders in National Fraternal Congress
Gather in St. Petersburg, Fla., to
Debate Issues

By LEVERING CARTWRIGHT

ST. PETERSBURG, FLA., Dec. 6.—The National Fraternal Congress is gathered here for the midwinter meeting of its various sections, the meeting being put ahead about three months so as to coincide with the annual meeting of the National Convention of Insurance Commissioners. There is a representative but not large attendance. The lack of hotel facilities made difficult the holding of separate section meetings and there were not enough members of some of the sections present to justify holding independent meetings.

Monday evening there was an informal gathering over which P. F. Gilroy, vice-president of the congress and president of the Woodmen of the World of Denver, presided. This was to discuss the resolution on valuation of securities which had been adopted by the executive committee of the Commissioners Convention Monday morning.

Some Ambiguity Noted

The fraternalists were particularly interested in section 3 of the resolution which deals primarily with municipal securities. They feel there is certain ambiguity in this section, particularly as to the treatment of municipal bonds in default less than two years. The consensus was that the intent was to permit amortization of bonds in default less than two years.

Among those who participated in the discussion Monday evening were B. C. Marks of the A. O. U. W. of North Dakota, Mrs. Bina West Miller of the Women's Benefit Association of Port Huron, Herman L. Ekern, head of the Luthran Brotherhood of Minnesota, and George A. Bangs and H. V. Wade of the United Mutual Life of Indianapolis.

There was to have been a meeting of the executive committee Monday afternoon, but several of the members were delayed in arriving because of a train wreck near Thomasville, Ga., and so the meeting was put over until Tuesday morning.

Some of Those Attending

All of the directors are present except D. E. Bradshaw, who was recently injured in an accident. Those present are Mr. Gilroy, Judge J. C. Karel, president of the congress and head of the Equitable Reserve Association, Mr. Marks, H. C. Smale of the National Union of

(CONTINUED ON PAGE 9)

More Individual Business Efficiency, Budget Control Vital for Agents

By ROBERT B. MITCHELL

NEW YORK, Dec. 6.—Recent concentration of the managerial floodlight on the problem of poorly trained and otherwise unfit life agents has had a somewhat depressing effect on the morale of agents recently inducted into the business, according to some agency heads. Naturally, it is something of a rude shock for the new agent, with the enthusiastic words of the general agent who has just engaged him still ringing in his ears, to learn something about the usual rate of turnover among life agents and to realize that his chief will probably consider that he is doing pretty well if one out of every 15 men he takes on is still in the business and making a decent living at the end of five years.

Yet for a new man with a reasonable amount of ability, such knowledge might be a sobering thought but certainly not a discouraging one. If he is disheartened by agent turnover statistics it is due largely to failure to distinguish between a managerial problem and that of the individual agent as an independent business man. Also he probably is forgetting about the thousands of unsung life agents, who go along year after year, making satisfactory incomes, enjoying their work, causing their general agents and companies no headaches, although never becoming so outstanding as to rate a success story in any of the insurance trade papers.

Make Point Producer Is Independent Business Man

From the soliciting agent's point of view, a comprehensive survey of the life insurance business as compared with other lines indicates as good an opportunity for a comfortable living as any business a man might decide to engage in, and that the percentage of failures, discounting those who drift in and then out of the business without any thought of trying to make a life work of it, is probably no worse than in other lines, while such failures as do occur involve far smaller losses to all concerned than do failures in other lines.

The agent must remember, however, that he is in business for himself. He is an individual entrepreneur. No matter how much control a general agent attempts to exercise over his men, and no matter how much help the agent may receive from the general agent and his assistants, he is in the last analysis as

much an independent business man as the grocer, the manufacturer or the operator of a taxi fleet. He takes the risks, for better or worse. If he succeeds his reward is generous. If he fails, it is a case of "loser take nothing."

The truth is, of course, that even in prosperous times only a small percentage of the total population or of any group achieve distinction, while failures continue to happen. In comparing commercial failures with the turnover among life insurance agents it should be borne in mind that these commercial failures usually represent a very considerable average investment, which has been lost only after the most strenuous efforts of the management to avert a crash.

Involves Practically No Investment Except Time

On the other hand, many who "take a whirl" at life insurance selling invest little beside their own time and often not much of that. Yet few of those who fail do so without earning something in the way of commissions, whereas a business man in another line may easily

lose not only his time but his entire capital with no salvage whatever.

A well-known life insurance educator suggests that a major reason for many needless failures among new agents is that they fail to follow business-like procedure to any appreciable extent. A business man in any other line, even though on a small scale, probably would have a cash register and definite set of books, he points out. Lack of budgetary control tempts the life agent to enlarge his spending when he has a run of good production, not setting by anything for the lean months. He finds it difficult and discouraging to readjust his living scale back to his former standard. His morale impaired by mounting debts and commitments, he is more likely to yield to despair and drift out of the business than he is to go back at his job of selling with renewed energy and enthusiasm.

There is an increased realization among general agents and managers of the need of helping agents control their finances. The so-called salesman temperament, it is believed, is not likely to

be found in a person who has the methodical outlook typical of the accountant. In fact, psychological tests show important personality differences between successful salesmen and successful accountants.

Possibly the fact that managers and general agents tend to be drawn from the ranks of successful personal producers is the reason that the important question of helping agents control their financial lives has begun only recently to get the attention it deserves.

Successes in Business Proof of Possibilities

The successes that have been and are being made in the selling of life insurance are sufficient evidence that the opportunity is there for those who are qualified, and while the world may have numerous examples of incompetents in higher positions than they deserve, by far the greatest number of successes are won by those who are qualified for their jobs.

Many life insurance agents who have entered the business since the onset of the depression are making more money than in their most prosperous days previously. Many more are making a comfortable living, with the additional satisfaction of knowing that their future success is in their own hands—hands which they themselves have proven capable.

Suggestion for App-a-Week Clubs

Joseph Moore of Green Bay, Wis., general agent of the Franklin Life in the northern part of the state, makes some interesting comment on so-called "app-a-week" clubs. He asserts that in its inception this movement was intended to develop an agent into a steady producer. He was to be rewarded for faithfulness and fine service over a certain period. Mr. Moore states that in spite of all good intentions there have been no definite restrictions as to what kind of an application counts, what kind of business or what sort of a settlement is expected. He sees in the "app-a-week" plan an inherent weakness. When an agent finds himself getting towards the end of the week and he has not secured an application he realizes there is a valuable prize ahead and a record that he desires to maintain, but he is likely to fail. Therefore he goes out under full steam to get some sort of an application, realizing perhaps that the policy will not be placed even if issued. Mr. Moore said that in his

territory he has found often applications come from a man who has been on CWA work or some other relief activity. He declares there is a large amount of first year lapses due to the pressure behind the "app-a-week" stimulus. In spite of this high lapse ratio the "app-a-week" gets a prize.

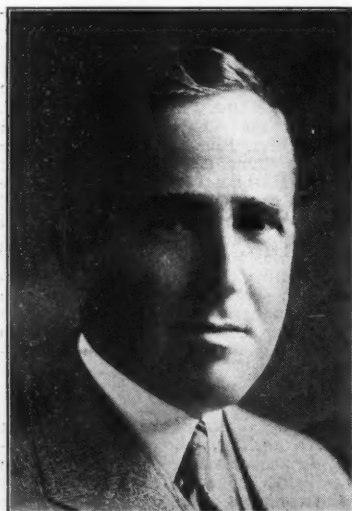
Would Change Rules to Require Premium Payment

Mr. Moore has suggested that companies change their rules in this respect, making it imperative to have the net premium paid for the period over which the policy is written. In this way he thinks much padded business would be eliminated. Since Jan. 1 so far as his agency is concerned this is the rule that is followed and the results have been very gratifying. The net premium has always been demanded before the application is submitted to the company. The renewals, Mr. Moore says, are better and the class of business is cleaner. Mr. Moore said that agency

supervisors state that in order to make the "app-a-week" plan successful the element of loyalty must be stressed. The general agent, according to the supervisors, must emphasize the loyalty of the men to their company and to their policyholders and their business. Mr. Moore said that the loyalty characteristic is a very desirable one but in the final analysis the agent has himself and his family in view. Mr. Moore feels that if "app-a-week" clubs are to be continued they should be maintained on a paid for basis and that business applied for only should not count. Mr. Moore himself has paid for an average of about \$300,000 a year for 14 years.

Phineas Prouty, Massachusetts Mutual, chairman, spoke to the Life Insurance Forum of Los Angeles on eliminating waste energy on suspects in qualifying prospects.

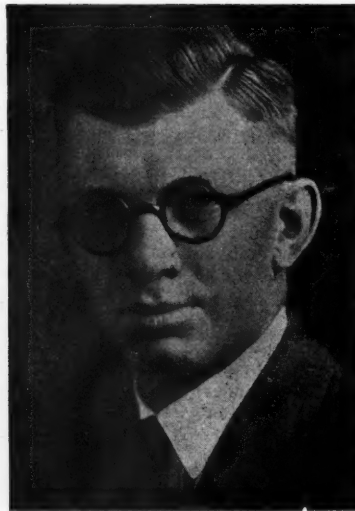
SPEAKERS AT COMMISSIONERS PARLEY IN FLORIDA



COL. H. P. DUNHAM,
Connecticut



CHARLES C. GREER,
Alabama



E. A. SMITH, JR.,
Utah



W. S. POPE,
Texas

Program to Check Unlicensed Offices

Commissioner Gentry of Arkansas
Proposes Three Measures
to Stop Operations

GIVES FLORIDA ADDRESS

Commissioner Smith of Utah, in Dis-
cussing Paper, Agrees With Con-
clusions and Recommendations

A program for curbing the operations of unlicensed companies was suggested at the annual meeting of the National Convention of Insurance Commissioners in a paper presented by Commissioner U. A. Gentry of Arkansas.

Mr. Gentry proposed that all concerns that are essentially insurance companies be placed under the jurisdiction of the insurance departments of the various states.

Secondly, he advocated legislation in each state providing that no company of that state could transact business in any other state without being licensed in such state and that no foreign company would be admitted which transacts an unlicensed business in any other state.

Wants Federal Legislation

Then he recommended federal legislation governing use of the mails and radio.

He said in a number of states there are organizations transacting an insurance business that do not come under the supervision of the insurance department. It is imperative that the department get control of these concerns, he said. Such concerns are particularly active in Arizona, Arkansas, California, Colorado and Texas.

He mentioned the trade unions of Louisiana, which are still active as insurance organizations despite the fact that Congress repealed the act of 1886, which legalized the incorporation of national trade unions and permitted them to do an insurance business.

In Arkansas, he pointed out, burial associations are regarded as investment companies and are placed under the supervision of the blue sky division of the banking department.

Cites an Objection

As to the proposal for federal legislation, Mr. Gentry mentioned the objection that such a statute might provide an opening wedge that would result in the federal government taking over control and regulation of insurance. Mr. Gentry said he is inclined to minimize that possibility.

Despite the fact that insurance is held to be not interstate commerce, he expressed the belief that Congress would have authority to deny the use of the mails to the furtherance of a business that adversely affects the interests of the citizens of the various states. If Congress may prohibit the use of the mails for lottery advertising, it would seem reasonable, he said, that the use of the mail might be prohibited in soliciting insurance by companies in states where they are not authorized.

Radio Problem Viewed

The radio problem is complicated. He suggested that the remedy would be a federal law requiring the company, in its broadcasting to announce the states in which it is authorized to do business or the names of the states in which it is not authorized.

He also made another incidental suggestion. It was that governors be urged to issue papers for the extradition of officers of unadmitted companies so that

(CONTINUED ON LAST PAGE)

Dispute Over Best's Rating Shifted to St. Petersburg

BOTH PARTIES REPRESENTED

Officials of A. M. Best Company and
A. L. C. Committee at Commis-
sioners' Meeting

ST. PETERSBURG, FLA., Dec. 6.—The scene of the great dispute between the American Life Convention and the A. M. Best Company as to ratings of insurance companies was transferred to St. Petersburg this week, where both sides were represented during the meeting of the National Convention of Insurance Commissioners.

A. M. Best is here, accompanied by Arthur Snyder, treasurer; R. T. Smith of Chicago, vice-president, and H. T. Rawlings, executive representative. They presented each registrant with an elaborate booklet, designated as a volume in commemoration of the 35th anniversary of the Best Company. It consisted largely of testimonials from subscribers as to the value of ratings, which were submitted in answer to a recent questionnaire sent out by Best. There was also a selection in which certain typical criticisms of ratings and Best's answers to them were presented.

All but one of the members of the A. L. C. committee on ratings was present, he being O. J. Arnold, president Northwestern National Life. Those present were G. S. Nollen, Bankers of Iowa; Julian Price, Jefferson Standard; H. M. Woollen, American Central, and U. S. Brandt, Ohio State Life.

It was said there was to be no official meeting of Mr. Best and the A. L. C. committee. There was considerable talk to the effect that the question might come before the commissioners.

All members of the A. L. C. executive committee were present and they went

Tragic End of Figure in Abraham Lincoln Plight



H. B. HILL

H. B. Hill, who was the founder of the Abraham Lincoln Life, formerly the Mutual Life of Illinois, who was found dead in his automobile near Springfield, Ill., last Saturday, had just been deposed as chairman of the board of his company, following startling disclosures as to its recent purchase.

into session Monday afternoon. They are Daniel Boone, Midland Life; T. A. Phillips, Minnesota Mutual; Harry Wilson, American Central; G. S. Nollen, H. K. Lindsley, Farmers & Bankers, and F. V. Keesling, West Coast Life. Then the committee on valuation of securities

(CONTINUED ON PAGE 9)

H. B. Hill Meets With Tragic End

Former President of Abraham
Lincoln Life Found Dead in
Automobile

HE HAD BEEN DETHRONED

Was the Founder of the Company—
Considerable Mystery as to
His Death

H. B. Hill of Springfield, Ill., who had just been deposed as chairman of the board of the Abraham Lincoln Life of that city, a company that he founded, was found shot to death in his automobile on the Beardstown road, Saturday evening. The spot was three miles west of Springfield.

The new president of the Abraham Lincoln Life, R. W. Turnbull, had stated to Mr. Hill that owing to the instructions from the state insurance department, he could no longer have any connection with the office. After the attorneys German of Kansas City went back on their bargain to purchase the Abraham Lincoln Life, Mr. Hill again became president but when Gustaf Lindquist and his Chicago gangster associates purchased the company, Mr. Hill was made chairman of the board, and under the contract was to be continued on the payroll for a certain number of years and be actively identified with the company. Saturday morning he returned to his office and cleared out his private desk. He went to his mother's home for lunch and later drove into the country, announcing that he was going to his farm west of Springfield.

Carried \$110,000 Life Insurance

It was discovered that Mr. Hill's car had four shots in the wind shield, rear window, radiator and side of the car, the bullets coming from outside the car. It is claimed that the revolver being used in these shots was different from the one which was in the car with Mr. Hill's body. The revolver in the car had the identification numbers filed off. It has been revealed that Mr. Hill carried \$110,000 life insurance. Undoubtedly he was in sore need of money and was pretty badly involved. The question of whether he committed suicide or was murdered by those who had attempted to loot the Abraham Lincoln Life remains a mystery. It is stated by some of his friends that he would have been a material witness in the charges against Joseph Baiata, ex-convict; Dave Barry, fight referee; Abraham Karatz, former St. Paul lawyer, and Hayden Sanders, former dice thrower in a Chicago cigar store, who was elected treasurer of the company, all under charge of a conspiracy or larceny. Gustaf Lindquist, deposed president of the Abraham Lincoln and former Minnesota insurance commissioner, has not been located. He disappeared after conferring with the state's attorney in Chicago.

Mr. Hill at one time carried \$200,000 or more insurance but recently he was forced to lapse a considerable amount.

Plan of the Looters

It is known that Mr. Hill was very anxious to get out from under the Abraham Lincoln Life. Some of the disclosures in the examination by the Illinois department reflected very seriously on Mr. Hill. Gustaf Lindquist and his Chicago gangster associates, through connivance with Otto Van Derck, a clerk in the Amalgamated Trust & Savings Bank of Chicago, secured \$25,000 from that institution to make the first pay-

(CONTINUED ON PAGE 20)

"My Mother Says"

This letter pretty well states the case for Father and Son insurance, does it not?

Gentlemen: My Father is a business man, and my Mother says he is a good business man. He has just had me have my life insured in your policy. My Father wants me to be a business man like he is, and I want to be one too. He says no boy can be successful when he is a man unless he learns to save, and he says this policy will teach me to save and respect my financial obligations. And my Father says that this policy is valuable property, and will be paid for on installments like our radio and Mother's washing machine. I am going to help my Father pay for this policy, and I can do it, too. He showed me in the policy how the savings grow every year and when I am grown up they will help me in my career as a successful business man like my Father.

Your friend,

At slight annual outlay any father can have the stimulating cooperation of a son's life insurance policy in forming success habits for his boy.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

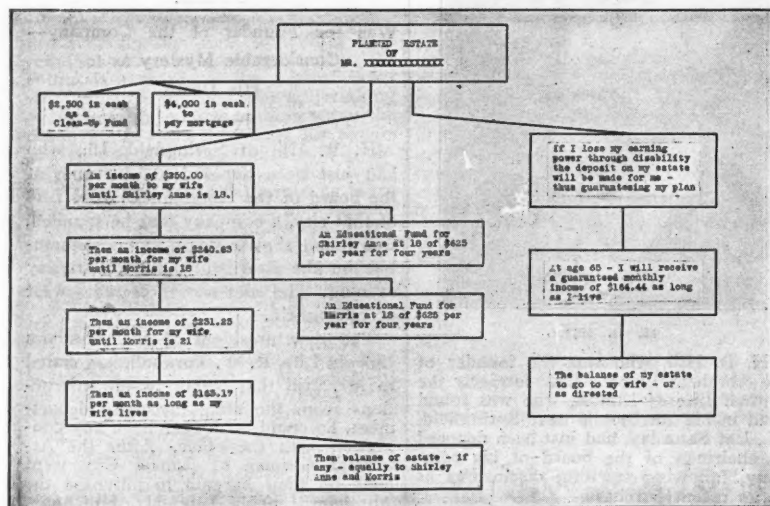
Is Estate Planning Salesmanship?

SOME people have gotten the idea that the Home Life's plan of Client Building Through Estate Planning is a substitution for salesmanship. Actually it is salesmanship of the highest order. John H. Paterson, founder of the National Cash Register Company, and probably one of the greatest salesman

requirement of Mr. Paterson's description of salesmanship.

The basic soundness of the plan probably explains why the Home Life is showing a gain in volume of new business nearly three times as great as the average of all companies.

The deliberate attempt of the Com-



A Planned Estate Chart Does All This: Analyze, Dramatize, Visualize

of his time, once said that to sell you had to

- 1.—Analyze
- 2.—Dramatize
- 3.—Visualize

The Three Steps

The first step in the Estate Planning method is the analysis of the needs of the individual and family involved and the assets which are available for the fulfillment of those needs.

The second step is to dramatize those needs and translate them into terms of their fulfillment with the actual persons concerned.

The third step is by means of the Planned Estate Chart which puts before the eyes in the most simple and direct fashion the life problem of the prospect and life insurance as a solution of that problem.

Does All Three

It is apparent, therefore, that the Planned Estate method fulfills every

pany is to furnish implements, shape plans, and provide an atmosphere that will enable the high grade professionally trained life underwriter to function at his highest degree of effectiveness.

Definite Program

The specific field method around which the plan and results are built is Client Building Through Estate Planning.

A booklet describing Client Building Through Estate Planning is available and will be sent to anyone interested in it upon request to the Company at 256 Broadway in New York City.

(This is one of a series of advertisements telling what one company is attempting to do to solve the problem of the man in the field and to further the progress of its representatives and the company itself under present conditions. Other articles in this series will appear later.)

U. S. Estate Tax Rulings Digested

New Regulations No. 80 of Treasury Department of Importance to Insurance

MOOT POINTS SETTLED

H. T. Powers Analyzes New Interpretations, Offers Recommendations to Life Agents

Varying reports of the effect of impending changes in Treasury Department regulations affecting life insurance were clarified by publishing of Regulations No. 80, relating to the estate tax title of revenue laws of 1926 and 1932 as amended in 1934. The regulations are not nearly so sweeping in their effect as was rumored, but a number of changes are important to insurance men.

Heman T. Powers of Heman T. Powers & Associates, Chicago, specialist in the study of estate and tax matters, who conducts an advisory service and school for life insurance men, was asked this week to digest the new regulations for THE NATIONAL UNDERWRITER. Mr. Powers, who has a fine background of knowledge in his field states:

Regulations Are Explained

"Articles 25, 26, 27 and 28 of Regulations 80 deal with insurance. Article 25 clarifies what has been a moot question for a long time, viz.: The tax effect on insurance when the premiums are paid by someone other than the insured. Prior regulations covered the matter as follows:

"Insurance is deemed to be taken out by the decedent in all cases where he pays all the premiums, either directly or indirectly, whether or not he makes the application. On the other hand, the insurance is not deemed to be taken out by the decedent, even though the application is made by him, where all the premiums are actually paid by the beneficiary. Where a portion of the premiums were paid by the beneficiary and the remaining portion by the decedent the insurance will be deemed to have been taken out by the latter in the proportion that the premiums paid by him bear to the total of premiums paid."

Gives Illustrative Case

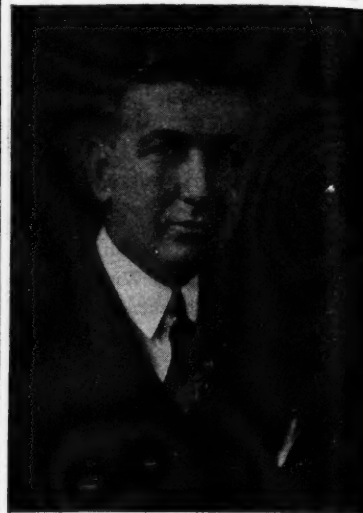
"The moot question was this: If A applies for life insurance, naming his wife, who pays the premiums, as beneficiary, and he reserves the right to borrow on the policy or to surrender it, to assign it, to pledge it for loans, or to change the beneficiaries, will the proceeds, by virtue of the fact that the beneficiary pays the premiums, be excluded from A's gross estate for federal estate tax purposes?"

"It was the opinion of many authorities that the regulations specifically exempted the proceeds from taxation while others maintained that the Chase National Bank decision had supplanted this interpretation of the statute and that it was only logical to assume that if the insured retained the incidents of ownership in the policies up to the time of his death the proceeds in excess of \$40,000 would be included in his gross estate for federal estate tax purposes.

Article 25 of Regulations 80, clarifies this matter in the following manner:

"Insurance is considered to be taken out by the decedent in all cases, whether or not he makes the application, if he pays the premiums either directly or indirectly, or they are paid by a person other than the beneficiary, or decedent possesses any of the legal incidents of

Chief Is Honored



W. M. ROTHARMEI

W. M. Rothaermel, superintendent of agencies of the Equitable of New York's central department with headquarters in Chicago, was honored by the company's agency managers, general agents and heads of the cashiers', medical inspection and claim departments in that city at a dinner on his fifth anniversary in the Chicago post. K. M. Sacks, agency manager, was toastmaster. Speakers included Agency Manager W. V. Woody, Chicago, General Agent Courtenay Barber of Chicago, Dr. H. L. Sherrill, medical referee there, and Dr. B. L. Rawlins, head of the inspection department. They all spoke of the fine fellowship which has developed among the Chicago agencies since Mr. Rothaermel took charge, and the co-operation and understanding of field problems which he gives. It was pointed out that he took charge of the central department Dec. 1, 1929, just after the start of the depression, and has had nothing but depression conditions facing him ever since.

ownership in the policy. Legal incidents of ownership in the policy include, for example: The right of the insured or his estate to its economic benefits, the power to change the beneficiary, to surrender or cancel the policy, to assign it, to revoke an assignment, to pledge it for a loan, or to obtain from the insurer a loan against the surrender value of the policy, etc."

Interpretation Now Ruling

"In the light of the foregoing excerpt from Regulations 80, the proceeds of A's insurance, in excess of \$40,000, would be taxable in his estate. This interpretation of the law by the Revenue Bureau is very clear and until it has been reversed by the higher courts the underwriter should be governed thereby.

"Another significant interpretation of the law is found in Article 25: 'The decedent possesses a legal incident of ownership if the rights of the beneficiaries to receive the proceeds are conditioned upon the beneficiaries surviving the decedent.'

"The Revenue Bureau, in the writer's opinion, is endeavoring to cover so-called 'reversionary interests' such as the following: A waives all rights in the policies but provides that if the beneficiary predeceases him the rights shall revert to him or to his executors or administrators.

"There are many modifications of this example that are too numerous and too involved to discuss at this time, particularly in view of the fact that a case (Ballard v. Helburn) in all likelihood will come before the United States Supreme Court very shortly, the adjudication of which by that court will establish

(CONTINUED ON PAGE 17)



HOME LIFE INSURANCE COMPANY

256 BROADWAY - - - NEW YORK, N. Y.

ETHELBERT IDE LOW
Chairman of the Board

JAMES A. FULTON,
President

On Agency matters address: C. C. FULTON, JR., Supt. of Agencies

Difference in Dividends Paid on Annuities One of Method

INTEREST FACTOR DECREASES

Tendency Noted to Grant Assured Specific Right to Use Life Policy Value to Buy Annuity

NEW YORK, Dec. 6.—The fact that the new participating annuity dividend scale of the New York Life shows a downward dividend trend on a five-year estimate while that of the Equitable Life of New York shows an increasing scale over the same period, although both companies have the same basic guaranteed rates, has brought forth inquiries as to the reason for this difference.

The reason is that the Equitable Life

during the earlier policy years pays less than would be the case under the New York Life plan in order to be able to pay a larger dividend later on.

Since the reserve on an annuity gradually diminishes, in contrast to a life insurance reserve, which increases, the dividend on the former, based principally on excess interest, tends to decline as the reserve on which it is based diminishes. If this decreasing scale is to be made an increasing one, on the life insurance model, part of the earlier-year dividends must be set aside as in the Equitable plan to offset the natural tendency toward smaller dividends with advancing age of the contract.

Rarely a Contract Right

The new and increased annuity rates, some of which are already in effect, while others are pending, bring up the question of optional settlements as applied to cash values in life policies. Only a few companies grant in the contract the right to the insured to use his cash

values under the optional modes of settlement—and practically always this means the life annuity option—but nearly all companies permit it as a privilege when the insured requests it.

Presumably this privilege will be continued under existing contracts, although it would be theoretically possible to withdraw it where it is not a contract right or where the privilege has not been accorded to policyholders as a definite vested right.

Makes Specific Provision

At least one company which is bringing out new contract forms on Jan. 1 will make specific provision in the policy that any of the settlement options may be applied by the insured to his cash surrender value.

The recent growth of annuity consciousness among the public has had a noticeable effect on the number of inquiries as to the use of cash values in this manner.

A. L. C. Well Represented at Commissioners' Parley

ST. PETERSBURG, FLA., Dec. 6.—The American Life Convention is well represented at the annual meeting of the National Convention of Insurance Commissioners here. Col. C. B. Robbins, manager and general counsel, and Lee N. Parker, president of the American Service Bureau, arrived on the scene early, where they were joined by H. K. Lindsley of Wichita, head of the Farmers & Bankers Life, and president of the convention, and members of the executive committee.

Mr. Parker is returning to Chicago but Mr. Lindsley and Colonel Robbins will visit a number of head offices of member companies in the southeast and then will proceed to New York to attend the annual meeting of the Association of Life Insurance Counsel and the Life Presidents Association.

They write no stories

THEY write no stories, those thousands of human beings to whom life insurance means security, peace, freedom from worry.

Every day, those events which never make the front page, but which are the fabric of life, tell the true story of life insurance. Fires are lighted in the morning and the day faced with the courage which knows there is safety ahead; families rest content at night, unhaunted by nameless fears for the future.

Back of many a policy is a tale of human courage, of pathos, of romance, but these dramatic incidents merely punctuate the real story of life insurance. Its most vital chapters are written as it quietly and without fanfare steadies the pulse of the routine world, in which most of us live.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Appraisal Now Being Made by Illinois Bankers Life

FINDS ASSETS ARE INTACT

Insurance Director Palmer of Illinois Gives Out Statement as to Abraham Lincoln Life

Insurance Director Ernest Palmer says that while the preliminary contract entered into by the directors of the Abraham Lincoln Life and the Illinois Bankers Life of Monmouth, Ill., provides that the latter company agrees to reinsure the entire business and carry out in full policy obligations of the latter provided the audit and a complete investigation of the assets and business discloses no unforeseen difficulties or condition, it will take some weeks to make the investigation and work out the details. He says that he sees no reason why it may not become effective within 60 days. The department, he declares, will see that the terms of the contract are fair and equitable. He finds the assets, both cash and securities intact. H. B. Hill, who was former president and later chairman of the board, resigned and was later found shot to death under mysterious circumstances.

Palmer Tells Some Details

Mr. Palmer tells the story as follows: "On Sept. 29, former President H. B. Hill and his associates on the board of directors of the Abraham Lincoln, entered into a contract to sell the controlling interest in the company to Gustaf Lindquist, former insurance commissioner of Minnesota, who up until this recent transaction apparently bore a good reputation both for ability and integrity. The department secured an inspection report from a recognized national agency on Mr. Lindquist and also received quite a number of letters from apparently responsible people in Minnesota, all of whom had known Mr. Lindquist for many years, and the reports were all very favorable. However, the contract was entered into by former President Hill and his associates without the knowledge or consent of this department and contrary to an express agreement with this department made early last summer after their first attempt to sell control to another irresponsible group had been stopped by our action. We first learned of this second transaction on Oct. 16 after the contract was in effect and Mr. Lindquist had been elected president.

Contract Was Disapproved

"We immediately disapproved the contract because its terms were contrary to law and good practice, and placed our examiners in the office of the company. Orders were entered on Oct. 16 stopping payment of all salaries to former officers and directors and to the then officers and directors. Furthermore, we forbade the issuing of any checks on the company's funds without the approval of the department, and further ordered that no securities be sold, transferred or exchanged without our prior approval.

Strictest Supervision Exercised

"Representatives of the department have been in the company's office for the protection of the policyholders since Oct. 16, because until Mr. Lindquist disclosed his principals and entered into a contract which we could approve, if everything was found to be all right, we felt justified in exercising the strictest supervision. Subsequent events have justified the wisdom of this action on the part of the department. Several of Mr. Lindquist's associates of whom we had no knowledge, due to his misrepresentations as to his backers, are now in custody in Chicago, where the conspiracy to defraud the company was planned, and Mr. Lindquist who has disappeared, is being sought by the authorities. Their fantastic plot involved not only control of the Abraham Lincoln

Worthless Stock Used to Line Special Gold Room

A gold room is a feature of the quarters of the A. F. Haas agency of the Mutual Life of New York in Pittsburgh. The walls of the gold room are papered in worthless stock certificates representing investments of exactly \$1,000,000. The room will be used for conference purposes by the agents who have prospects to bring into the office. Prospects who claim ability to handle their own money will also be invited to the gold room so as to provide a proper atmosphere in which to meditate. The room also provides the agents themselves with a gentle reminder that all investments are not good investments and that life insurance is the best one of all.

but control of small banks and bond houses in neighboring states, but the only loss so far disclosed was suffered by a Chicago bank in the amount of \$54,000. The conspirators, of course, will be brought to trial in due course when the investigation of the authorities is completed."

The Illinois Bankers Life in its contract to take over the Abraham Lincoln Life, provided the appraisal was favorable, is not interested in the accident and health business. That will have to be disposed of independently of the Illinois Bankers Life deal. It is stated that the impairment of the Abraham Lincoln Life is much greater than was anticipated. It is now stated that the figure may reach \$1,000,000 or more.

Virginia Legislative Group Considers Law Proposals

The Virginia legislative commission which is engaged in recodifying insurance law, at a hearing discussed ways and means to force non-admitted companies writing insurance in the state to pay tax. One suggestion was they might be reached by compelling policyholders to report amount of premium paid and hold them responsible for the tax.

Life men present objected to provisions of the qualification law proposed by J. D. Ewell of Richmond, chairman public relations committee Virginia Association of Insurance Agents, especially the requirement of a \$10 fee for examination and \$5 for license. Representatives of industrial life companies thought this would work a hardship on them.

Clarification of laws as to capitalization of companies, with greater uniformity, was urged, and also a section of the code to require that reports filed by companies become public records. It was declared New York law entitles companies which are criticized in reports to a hearing before reports are made public.

Several speakers urged adoption of a law that would give more control over life companies doing a mail order business in the state. Another suggestion was a provision for investment of trust funds in life insurance annuities at the discretion of courts.

The commission also considered the proposal to make the insurance bureau a separate division from the banking department, and another proposal that the bureau be restored to an independent department as before reorganization of the state government. It was suggested that the commissioner be given more administrative powers. Additional hearings will be held.

Sales Gains Made

Atlantic Life—Paid business 30 percent over December, 1933, and 25 percent over October.

R. M. Buck, Los Angeles, Indianapolis Life—Ten-month paid increase of 198 percent.

Old Line Life of America Has Home Financing Plan

SMALL PAYMENTS PROVIDED

Cooperation with Building and Loan Associations on Special Life and Disability Contract

MILWAUKEE, Dec. 6.—Providing security through life insurance with disability features, a new "foreclosure-proof" financing plan has been worked out in cooperation with the Old Line Life of America, Milwaukee, by ten of the leading building and loan associations here. The plan was devised under the direction of F. H. Stark of the Old Line Life. He was formerly executive secretary of the Milwaukee Real Estate Board. The plan is new to American building and loan associations, but has been working successfully in England since it was developed several years ago. The British plan is used only as a model, the new plan being adapted to special American characteristics.

Monthly Payments Small

Monthly payments by owners of mortgaged property under the new plan are smaller than most families are now paying in rent, being as low as those offered by the Home Owners Loan Corporation, and being attained by long term amortization, with a maximum term of 20 years. Obviously, because of the insurance feature, costs under the new plan vary with age. It is estimated that a man in his thirties can buy a \$5,000 home covered with the life and disability contract, and that his payments, including interest, taxes and insurance, will be less than \$55 a month.

Three optional periods for maturing payments are offered, namely, 10, 15 and 20 years. At age 21 the cost on the 20-year plan is \$8.73 per \$1,000 per month; at age 60, the rate will be \$10.85 per \$1,000 per month.

The recent decision of the HOLC to accept no more applications for loans is considered as making this the ideal time for launching the new plan to fit in with the Roosevelt plan for greater economic security and making HOLC privileges available through private agencies to thousands who did not get under the wire in the government home loan activity.

A. L. C. and Service Bureau Are Now Settled in Chicago

The American Life Convention and American Service Bureau now are settled in their new headquarters office at 230 North Michigan avenue, Chicago. Considerable personnel was moved there by Col. C. B. Robbins, manager and general counsel of the A. L. C., and Lee N. Parker, president of the bureau. Those of the A. L. C. to make the trip were, of course, Colonel Robbins, and his daughter Julia; Ralph H. Kastner, A. L. C. associate counsel, and Mrs. Kastner; Maurice E. Benson, attorney, and his wife; Miss Mildred Hammond, assistant secretary, and the Misses Lyllis Treuting, Flauceil Barnett and Lillian Wille.

Barrett M. Woodsmall, vice-president of the bureau; M. B. Cederstrom, vice-president and secretary; Harold Coupland, supervisor; Gordon Gifford, in charge of supplies and printing, and Miss Ruth Brown in charge of accounts of the bureau, went to Chicago, as did Miss Glen Simpson and Miss Elsa Linkenheil, stenographers. The A. L. C. occupies all the 31st floor, in suite No. 3100, and the bureau the floor below, No. 3000.

No Increase in Dividends

WASHINGTON, Dec. 6.—The report has gone forth that dividends on the federal government life insurance policies have been increased. The Veterans' Administration states that there has been no change except as re-

Montana Commissioner Hits Hard at "Rating" Practice

COMMENT ON BEST POSITION

Doubts Public Interest and "Rating" a "Jimmy" for Agents in Competition

HELENA, MONT., Dec. 6.—Published ratings of life companies are considered "tools for twisters" in the hands of agents according to Commissioner John J. Holmes of Montana in a communication to Alfred M. Best Company. Commissioner Holmes questions the value of such ratings and the tone of his letter is one that would discourage the continued publication of such data. He states that during the past year it has been necessary to contact agents who, he claims, have been using Best's life charts for twisting purposes.

Doubts Public Interest

Mr. Holmes also questions interest of the insurance buying public in such ratings unless they are used by agents to support their own position or to create competitive conditions. His letter was in reply to material received by him from the Best company in which they support their position in continuing publication of their charts, and in some particulars is scathingly critical. While there may be logic in arguments advanced as the reason for continuing the ratings, says the commissioner, "in the last analysis when an agent for a company can contact a policyholder or prospect and advise him the company in which he is a policyholder is rated by best at 'C' while his company is rated 'A,' it is apparent the rating is nothing more nor less than a 'jimmy' being used by the agent."

Commissioner Appointments Viewed in Oregon, Michigan

There are a number of aspirants for insurance commissioner of Oregon. Among those most prominently seeking the position are Roy Owens, Portland, adjuster; George Walter Holcomb, head of the Holcomb Insurance Agency, Portland; Del Beard, special agent in Portland; H. B. Early, Eugene local agent, and O. B. Liscomb, prominent in the Oregon Association of Insurance Agents. Under the appointment made by Governor Meier, Commissioner Averill has a three-year term ahead of him. However, it is usual for the state officials to send in their resignations when a new governor comes in and if the governor taking his seat desires to make a new appointment he does so.

BRIGHT PROSPECTS FOR GAUSS

LANSING, MICH., Dec. 6.—Although Governor-elect F. D. Fitzgerald has given no hints as to his selection of departmental appointees, it is known that he is impressed with the support being given from within Republican ranks to Commissioner C. E. Gauss, who is a life-long Democrat. Mr. Gauss impressed insurance men throughout the state with his competent administration of the department and they are rallying behind him wholeheartedly no matter what their personal political leanings. Newspaper prognosticators, who have been mentioning many names of possible appointees to various state offices, have made no predictions in the case of the insurance commissioner, evidently sensing the fact that there is a fair chance that Mr. Gauss will be retained in office.

Regarding individual policies where a showing is made that they are entitled to a different dividend than was originally allotted. The dividend schedule is the same as it has been before.

Program for Chicago Meet of Insurance Teachers Out

DR. S. S. HUEBNER TO PRESIDE

Interesting Papers and Discussions
Scheduled for Sessions Dec. 27;
Director Palmer May Speak

Leading insurance educators will gather in Chicago Dec. 27 at the annual meeting of the American Association of University Teachers of Insurance. Prof. S. S. Huebner, University of Pennsylvania, will be the chairman at both the morning and afternoon sessions. The complete program is announced this week.

Home office executives, general agents, managers, supervisors and holders of the C. L. U. designation will be invited to the luncheon and afternoon session. The local members of the association who are in charge of arrangements there are Prof. S. H. Nerlove, University of Chicago, and A. J. Johansen, C. L. U., director life insurance course Northwestern University and supervisor Hobart & Oates general agency, Northwestern Mutual Life.

Sessions will be in the Morrison hotel, the morning session starting at 10 a. m. in parlor B, first floor. Ralph H. Blanchard, Columbia University, will deliver a paper on "University Instruction in Insurance—Curricula and Teaching Methods," and David McCahan, University of Pennsylvania, and dean American College of Life Underwriters, on "University Instruction for Insurance Leadership." Discussion of the papers will follow.

Director Palmer May Speak

At luncheon in the Cameo room, first floor, it is planned to have Insurance Director Ernest Palmer of Illinois speak on "Regulation of Insurance Companies in a Period of Emergency." If he cannot attend, George W. Goble, University of Illinois, will speak.

The afternoon session in the Cameo room will start at 2 p. m. Dr. H. W. Dingman, vice-president and medical director Continental Casualty, Chicago, will speak on "Experience in Disability Income Insurance;" William Leslie, associate general manager National Bureau of Casualty & Surety Underwriters, on "The Condition of the Workmen's Compensation Business;" Paul H. Douglas, University of Chicago, on "Is a General System of Social Insurance a Practicable Ideal?" (affirmative side), and L. H. Lippincott, superintendent of training school, Maryland Casualty, on the negative side of the same question. A discussion period will follow.

A business session will be held in the same room immediately following.

Dr. Huebner Is President

Dr. Huebner is president of the association, Mr. Blanchard vice-president and F. G. Dickinson, University of Illinois, secretary-treasurer. On the executive committee are Robert Riegel, University of Buffalo; A. H. Mowbray, University of California, and Professor Nerlove.

Membership in the association is open to any teacher holding, or who has held an appointment in an institution of collegiate grade in the United States or Canada, offering one or more courses devoted entirely to insurance, including insurance law and actuarial theory.

The purposes are promotion of insurance education, encouragement of research in the insurance field, to provide an open forum for scientific discussion of all kinds of insurance, the association taking no official position on questions; publication of appropriate material, cooperation with other American organizations interested in whole or in part in insurance education, and cooperation with similar organizations in foreign countries.

The great interest today in social insurance caused the association to give

the subject an important place on the program in the form of a debate. The association now has between 60 and 70 members but many more persons are expected to attend the meeting.

New officers will be elected as the constitution provides that the president shall serve two years and this is the second year of the administration of Dr. Huebner.

Halbe With Philadelphia

The Philadelphia Life has appointed John A. Halbe general agent in Camden, N. J. He was a manager for the Metropolitan Life for several years. He resigned to enter the electrical appliance business but about three years ago re-entered life insurance, becoming associated with the Smith-Austermuhl Company, ordinary agency for the Prudential in Camden.

Banker Before Association

W. A. Stark, vice-president and trust officer, Fifth-Third Union Trust Co., Cincinnati, addressed the Cincinnati C. L. U. chapter on "The Underwriters and the New Deal." Mr. Stark spoke on the same subject before the National Association of Life Underwriters convention in Milwaukee.

E. B. Raub, Jr., Is Chairman of A.L.C. Financial Section

ST. PETERSBURG, FLA., Dec. 6.—Edward B. Raub, Jr., associate counsel and investment manager of the Lafayette Life was selected as chairman of the Financial Section of the American Life Convention by the A. L. C. executive committee in session at St. Petersburg. He succeeds the late H. B. Hill who resigned the post soon after his election. H. V. Wade of the United Mutual Life is secretary of the section. Mr. Raub has appeared before the section with a paper and has participated in the discussion. He is a son of President E. B. Raub of the Indianapolis Life. Young Raub is also a member of the Legal Section.

Inter-Agency Speakers Bureau

NEWARK, Dec. 6.—The inter-agency speakers bureau of the Life Underwriters Association of Northern New Jersey, is now in full operation and is accomplishing its purpose for which it was organized. The first speaker was F. E. Fellows of the Day & Cornish agency of the Mutual Benefit Life, who addressed the Zimmerman Agency of the Connecticut Mutual Life on "Life

Armstrong Law Author Is Convention Visitor

ST. PETERSBURG, FLA., Dec. 6.—William Armstrong, the author of the famous resolution in the New York senate which brought about the investigation of life insurance companies in 1907, dropped in the hotel lobby during the commissioners convention in St. Petersburg. He makes his home in that city. He was warmly greeted by Superintendent Van Schaick of New York and introduced to many conventioners to whom the Armstrong investigation is only text book history.

Insurance Programs." The next speaker will be W. C. Wallace of the Gibbs Agency in Newark of the Penn Mutual Life, who will talk on "More Head Work, Less Foot Work" before the same agency Dec. 17.

The Atlanta, Ga., agency of the Mutual Benefit Life of New Jersey won a six weeks sales contest from the Grand Rapids, Mich., agency.

Quality Business

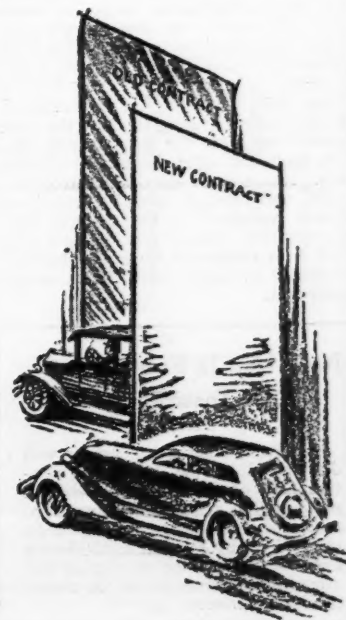
LIFE insurance has developed as a result of its ability to adapt itself.

The experience of the past few years has driven home the increasing importance of quality business in successful life underwriting and company operations.

The whole "set-up" of The Great-West Life new advancement program rests upon a quality basis. The new agent's contracts offer maximum remuneration for average and better than average business. With the new policy plans and new rate structure, they are a challenge to producers of that type of quality business upon which the whole program is predicated.

THE
GREAT-WEST LIFE
ASSURANCE COMPANY

HEAD OFFICE
WINNIPEG, CANADA



Automatic Loan and Collection of Premium Studies Are Made

An outline of representative life company procedure in two important fields—automatic premium loans and premium collection and reinstatement—has been prepared by the Life Insurance Sales Research Bureau of Hartford. Bringing up to date studies carried on several years ago, the Research Bureau collected new data from 31 United States and Canadian companies on the premium loan subject and from 67 companies on premium collections. The automatic premium loan feature provides that if cash is not received in payment of a premium the company will automatically charge such premium against the policy as a lien as long as the cash value equals or exceeds the indebtedness.

Experience of the Companies

According to the companies which contributed their experience with this provision some have had very favorable results; others have found it most unsatisfactory and have discouraged or discontinued its use. Those who favor the automatic premium loan say that, from the policyholder's viewpoint, its great advantage is that it keeps the policy in force on the original basis without any modification. It allows total disability and double indemnity features to be continued which under the extended term option would be canceled.

Another very important advantage mentioned is the fact that no evidence of insurability is required when premium payments are resumed. The bureau report states that undoubtedly some insurance is kept in force which otherwise would not be reinstated, which makes the provision of particular value to policyholders who have become uninsurable. The automatic premium loan

also helps policyholders who live in outlying districts and saves from lapse policies where the premium is not paid promptly merely due to carelessness or forgetfulness. Among the advantages brought out from the agent's point of view is the added sales appeal and from the company's standpoint the fact that it improves renewal ratios.

Premium Collection Discussed

Discussing premium collection and reinstatement the Research Bureau says:

"In any business which is not conducted entirely on a cash basis the problem of collection is a serious one but probably in no other business are there quite so many complications and phases to be considered as there are in the collection of life insurance premiums. In the first place, the commodity is intangible in the mind of the average person and does not have first call on his income as do the absolute necessities. Also, it frequently does not have the same appeal as other non-essentials.

"The trend in recent years has been toward studying the entire program and simplifying the procedure wherever possible, frequently by sending fewer notices and reinstatement letters. However, the most outstanding development has been the effort expended by many companies to make their collection material as effective and attention-getting as possible. This has been done through the development of literature which is modern and colorful and has sales value."

The bureau report covers company practices from the time the first notice of premium due is sent until efforts to reinstate the policy have been definitely abandoned.

Shapro Now Resigning



BEN F. SHAPRO

SAN FRANCISCO, Dec. 6.—Ben F. Shapro, general agent of the Penn Mutual at San Francisco for the last four and a half years, has announced his resignation effective Dec. 31. Mr. Shapro, one of country's outstanding organizers and agency heads, will leave the latter part of this month for a vacation trip to New York and has made no announcement as to his future plans. Mr. Shapro won national recognition for his successful management of the San Francisco agency of the Equitable Life prior to joining the Penn Mutual and during his association with the Penn Mutual his agency has produced approximately \$26,000,000 in new paid business.

Report Baker Leading for Pennsylvania Commissioner

HANDLED EARLE'S PUBLICITY

Candidates Actively in Field for Insurance Department Post in Several Other States

PHILADELPHIA, Dec. 6.—Political circles are firm in the belief that the next insurance commissioner of Pennsylvania will be C. S. Baker, Stroudsburg newspaper man, who was in charge of the publicity during Governor-elect Earle's campaign.

He is said to be an intelligent, hard-working, likeable chap. And, while he may not know very much about the insurance business, he is said to be of the type who will train himself to fill the job. Newspaper men who know him say he will make a good commissioner.

A general house-cleaning in the insurance department is not expected now before the middle of 1935. It is said that Governor-elect Earle will adopt the same method used by President Roosevelt at the start of his administration and will trade patronage for passage of desired legislation, withholding all minor appointments until after the 1935 legislature has adjourned.

TWO MINNESOTA CANDIDATES

ST. PAUL, Dec. 6.—Two candidates are already reported in the field for insurance commissioner of Minnesota to succeed Garfield Brown when the latter's term expires. They are D. W. Johnson, Minneapolis, a member of lower house of the last legislature, and State Senator Emil Regnier of Marshall. Johnson has been in the insurance business for several years but as far as known Regnier has had little if any insurance experience.

Johnson formerly was a Republican but recently has been allied with the Farmer-Labor party and was the nominee of that party for congress at the recent election, but was defeated. Regnier has long been an active worker in the Farmer-Labor party and managed the state campaign this fall.

BOOST THIELEN IN CALIFORNIA

SAN FRANCISCO, Dec. 6.—H. J. Thielen of Sacramento, one of the most popular agency leaders in the west, is being prominently mentioned for appointment as California commissioner to succeed E. Forrest Mitchell. He is said to have unusually strong support from state leaders and is a close friend of Gov. F. F. Merriam. It is generally conceded that his appointment would be very satisfactory to the insurance business because of his understanding of company and agency problems. He is an active organization worker and is past president of the Sacramento Chamber of Commerce and past exalted ruler of Sacramento lodge of the Elks.

BOWEN SLATED IN OHIO

COLUMBUS, O., Dec. 6.—Indications today are that Robert L. Bowen, an agent of the Northwestern Mutual Life in Cleveland, will be the next insurance superintendent of Ohio. He is a close friend of Governor-elect Davey and is said to have written much insurance for him.

Astor Annuity Buyer

Vincent Astor, wealthy New Yorker, was one of those taking advantage of the old immediate annuity rates of the Equitable Life of New York which were raised Dec. 1. The contract was sold by Miss Elizabeth Bower of the Beatrice Jones unit of the Devitt agency, New York City. Although only a few months in the business Miss Bower has sold a large volume of annuity business.

Companies Win Tennessee Tax Case, State to Appeal

NASHVILLE, Dec. 6.—The state will appeal to the Tennessee supreme court from the decision of Chancellor Newton, awarding judgment of approximately \$700,000 to 50 life companies in the litigation over the ruling of former Commissioner J. I. Reece that the 2½ percent tax on gross life premiums is applicable also on dividends deducted from premiums and not taken in cash by the policyholder. State Treasurer Bean said proceeds of the disputed tax were not impounded, but were expended as part of the general revenue fund and hence an appropriation must be made by the legislature if the lower court's decision is sustained on appeal. The New England Mutual Life was plaintiff in the test case.

From 1897, when the law was enacted, until Mr. Reece's ruling in 1932, the state collected only on the actual cash premium payment after deduction of dividends. Reece made his order retroactive to 1927, and revenue from the additional tax was assigned to the general fund and expended. Reece was recently convicted on a charge of illegal abstraction of \$100,000 in bonds from the insurance department.

New Use Is Found for Life Insurance Policy

A new use for a life policy was discovered by the American Central Life of Indianapolis, when a policyholder requested a new contract, the original having been chewed up by her baby. Evidently even an infant can recognize the attractive provisions to be found in life insurance.

New Arkansas Code May Tax All Carriers on Same Basis

LITTLE ROCK, ARK., Dec. 6.—All foreign carriers operating in Arkansas will pay a gross receipts tax if recommendations in the proposed recodification of insurance laws are approved by the legislature. Drafting of the recodification is being rushed and Commissioner Gentry hopes to have a report ready before the first of the year for state officials and legislators to study.

Mr. Gentry said he would recommend that fraternal, mutual benefit and assessment associations be taxed the same as other foreign companies now operating in the state. The present tax is 2½ percent on gross receipts. At present agents of fraternal are unlicensed and the commissioner has no jurisdiction over them.

Sales Records Reported

Reserve Loan Life—Gain of 30 percent shown in new business since Sept. 1. An "end-of-year" drive which was launched on Oct. 1, is greatly responsible for the increase.

Bankers Life, Des Moines—November sales increase 33 percent, the best total for that month since 1931. Sales for the first 11 months gained 13 percent. During 1934 nearly 5,000 lapsed policyholders have been reinstated, responding to a letter sent to 19,000.

Capitol Life, Denver—"Daly Day" in honor of President C. J. Daly, brought a record volume of production with 75 applications for \$150,000.

The Charles B. Knight Agency of the Union Central Life in New York City paid for \$1,549,319 in November. Paid for business for the year to date amounted to \$24,784,403 as against \$15,797,471 for the same period last year.

Business Men's Great Month

November Made the Best Record of Any Month Since November of 1931

KANSAS CITY, MO., Dec. 6.—In November, Grant month, Business Men's Assurance salesmen paid for more business than in any one month since November, 1931: Paid business totaled more than 20,000 points as compared with 14,744 last year, or an increase of more than 35 percent. Each point equals \$7 in premiums.

Missouri led all branch offices with 3,241 points, a new all time record for the company's subdivisions. Of this amount R. J. Costigan, Missouri manager, produced 548 points, an all time individual production record for the state. The previous high was 368 points, set up by a Missouri producer in 1920.

Sanders Individual Leader

R. E. Sanders, California, led individual producers with 731 points. He paid for 726 points last year during the same month. This gives Mr. Sanders undisputed possession of the President's Cup, which he has won for three consecutive years.

The company's "dawn to dusk" drive on Nov. 30, President Grant's birthday anniversary, resulted in the largest single day's production in the history of the company. Salesmen produced 631 applications for 5,087 points, with \$875,558 in life insurance alone. This compares with 664 apps for 2,458 points paid for in a one-day drive last June.

Sacks Agency Has Record

The Sacks agency of the Equitable of New York in Chicago paid for \$614,000 of business in November during the annual "football campaign," the largest month the agency has recorded in the last ten years. Mr. Sacks' agents wrote nearly \$2,000,000 in the month.

Will Stage Fine Program for Distinguished Guests

LIFE MANAGERS SET MEETING

New York Session During Presidents' Gathering Has List of Excellent Speakers

NEW YORK, Dec. 6.—Four speakers will address the afternoon sales management conference of the New York City Life Managers Association Dec. 12 at the Waldorf-Astoria. C. L. Post, president New York City C. L. U. chapter, will speak on "How the C. L. U. Movement Will Help Agency Building." George Kederich, manager New York Life and former president New York State Life Underwriters Association, will review the state association's activities for improving the quality of licensed agents.

Thomas G. Murrell, manager Connecticut General Life in New York City, will have as his subject, "How Recruiting, Selection and Elimination on a Quality Basis Pays Dividends." The closing speaker will be John Marshall Holcombe, manager Life Insurance Sales Research Bureau, who will give a synopsis of the bureau's survey on trends of agency building and trends of company policies and practices.

Presidents as Guests

General agents and managers may bring any of their agency assistants to the afternoon meeting without charge. A business meeting of the Life Managers Association will follow the conference, at which the committee on part-time and "one-case" agents, headed by President J. M. Fraser of the New York City Life Underwriters Association, will make its report. The sales management conference will begin at 2:30 and the business meeting at 4:30.

The banquet, to which members of the association will be hosts to their company presidents and other executives attending the Life Presidents' Association meeting, will begin at 6:45. Among the company presidents who will be guests are M. B. Brainard, Aetna Life; G. S. Nollen, Bankers of Iowa; W. R. Bayes, Brooklyn National; F. P. Sears, Columbian National; J. L. Loomis, Connecticut Mutual; T. I. Parkinson, Equitable of New York; A. Rydgren, Continental American; W. LeM. Talbot, Fidelity Mutual; Carl Heye, Guardian of New York; J. A. Fulton, Home Life of New York; W. H. Sargeant, Massachusetts Mutual; F. H. Ecker, Metropolitan; J. R. Hardin, Mutual Benefit; G. W. Smith, New England Mutual; E. D. Duffield, Prudential; D. S. Dickenson, Security Mutual; Chandler Bullock, State Mutual; S. B. Phillips, Union Mutual; M. J. Cleary, Northwestern Mutual; W. H. Cox, Union Central, and F. A. Howland, National Life of Vermont.

Clash Over Peoria Life

LANSING, MICH., Dec. 6.—Progress toward placing under department control a proposed ancillary receivership for Michigan assets of the Peoria Life was reported when the attorney general's department began work on a petition to be filed with the U. S. District Court at Grand Rapids asking that an independent proceeding pending in that jurisdiction be abandoned.

Judge Raymond of the federal district court was consulted by M. T. Ward, an assistant attorney general, relative to the best procedure in behalf of the state as represented by the attorney general and Commissioner Gauss. The commissioner last week filed petition for an ancillary receivership with Judge Carr of the Ingham county circuit court here by Judge Carr would not act in the matter until all possibility of a jurisdictional dispute had been eliminated through "washing out" of the Grand Rapids action.

Disputes Over Best's Rating Shifted to St. Petersburg

(CONTINUED FROM PAGE 3)

was officially represented by G. S. Nollen, W. P. Coler, American Central, and John S. Evans, representing President T. W. Appleby of the Ohio National.

Some of the American Life Convention people are in favor of permitting the controversy to subside naturally and avoid further hubbub about ratings. The A. L. C. rating committee has been discharged. Mr. Best has been in conference with the A. L. C. people individually and conferred with the leaders in a group Tuesday evening. He states that an adjustment may be arranged if the A. L. C. will withdraw its objection to the ratings in principle. If that is done, Mr. Best said he would be disposed to revise somewhat his system to the advantage particularly of companies that are now rated "B." For instance, one plan is to elevate the A companies to a new classification called "A plus" and the "B" companies to the "A" class.

No Withdrawal of Position

Mr. Best said he recognizes the B companies may have been affected by the ratings more seriously than he has realized and that they may deserve consideration. However he declared he will not stultify himself by indiscriminate bestowal of "A's."

There was no indication that the A. L. C. is prepared to withdraw its opposition to the ratings and sanction a modification of the method.

Fraternalists Are Holding Sessions

(CONTINUED FROM PAGE 1)

Toledo, Anna K. Downes of the Women's Catholic Order of Foresters, Mrs. Mary E. Arnholt, Royal Neighbors, and Miss Emily A. Napieralski, Polish Women's National Alliance.

A meeting of the executive committee was to have been held Monday afternoon in St. Petersburg but a number of members were delayed in arriving because of the train wreck near Thomasville, Ga., and the meeting was held Monday evening instead.

Hold Special Conference

Wednesday morning the session was in the nature of a special conference of the entire congress. Greetings were delivered by Commissioner Brown of Minnesota as president of the Commissioners Convention, he being introduced by Commissioner Mortensen of Wisconsin.

John Tolverson of the Equitable Reserve Association reported for the bond information committee and announced there will be a meeting of a subcommittee later this month in Chicago.

Vice-president P. F. Gilroy submitted a resolution of protest against the policy of Washington agencies of requiring applicants for various forms of relief to take down the surrender value of their insurance before being eligible for relief.

Called Short-sighted Policy

Mr. Gilroy contended that is a short sighted procedure because in the event of death of a man on the relief roll, his widow would have to be provided for in the same way, whereas if the man were permitted to retain his insurance, the widow would not become a public charge. This was discussed at length and final action was deferred until Thursday.

Select Pittsburgh for 1935

The directors at their session Tuesday morning selected Pittsburgh and the last week in August for the place and time of the 1935 meeting of the congress. Fred Campbell of the A. O. U. W. of Minnesota presented a bid in behalf of the Twin Cities.

The Presidents' Section held forth Tuesday with F. W. Heckenkamp of the Western Catholic Union of Quincy, Ill., in the chair. The speakers included Dora A. Talley, Woodmen Circle, who told of the 20 tests to which municipal bonds are put before being purchased by her organization; Tom L. McCullough, Praetorians, who discussed real estate mortgages as an investment; W. H. Johnson, and W. B. Power of the New England Order of Protection, both of whom urged support of the fraternal's proposed national advertising campaign. Incidentally, about \$300,000 already has been pledged for this undertaking.

In the afternoon, George A. Bangs of the United Mutual Life presented a carefully prepared paper in which he advocated organization and cooperation of institutional and other owners of municipal bonds.

B. C. Marks of the A. O. U. W. of North Dakota suggested the N. F. C. lobby in behalf of laws in other states similar to that in Indiana, in which a

bond is held not to be in default until interest payments have been passed for two years. On motion of Mrs. Bina West Miller the proposal was referred to the executive committee.

On motion of Mrs. F. B. Olson of the Degree of Honor Protective Association, the valuations committee was delegated to act as a committee to secure legislation pertaining to investment matters.

The Secretaries Section held a very brief session in charge of Arthur M. Fording of the United American Mechanics. They decided to adjourn and attend the Presidents Section. They also voted to hold the meeting of the Secretaries Section the Sunday preceding the 1935 convention in Pittsburgh, so the members would be free to attend other sectional gatherings the rest of the week.

There was no session Wednesday afternoon. Monday the Fraternal Society Law Association held its annual

(CONTINUED ON PAGE 18)

Outstanding
by any
STANDARD
of
COMPARISON

EQUITABLE LIFE
OF OHIO

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Mortality in Supervising Ranks

THIS week the NATIONAL CONVENTION OF INSURANCE COMMISSIONERS is meeting in St. Petersburg, Fla., in annual session. Before another annual meeting comes around there will be a heavy mortality in the ranks of the state officials due to political contingencies. In the last few years, very fortunately for the public and the insurance business, there has been developed in insurance commissioners' offices a very high type and intelligent lot of men. Some of them have stood out preeminent in their work. They have been most conscientious in their endeavor to serve every interest thoroughly. Unfortunately, the insurance commissioner's office is a political one. Perhaps under our scheme of government it can be naught else.

So far as the public is concerned, there are few activities that come into so intimate relationship with the people as insurance in its various phases. It is very essential that greater security be maintained. People have every reason to rely on the state insurance department to guard them against companies that are not complying with the

laws, that are insolvent or that are following suicidal business practices. The insurance commissioners have great latitude in their power. Their discretionary authority is wide. The state insurance department can be made very effective if politics keeps its hands off. The people should demand these days that political debts be paid and political influence be used elsewhere than in the state banking and insurance departments. These are highly essential to the welfare and well being of the people.

We can ill afford to lose those commissioners that have taken a leading position in their work and are outstanding factors in supervision. They have just reached the time of their greatest usefulness. By their knowledge and experience they have secured an insight into insurance and its application to human and business needs that is very valuable in administering an office of this character. We owe much to those insurance supervisors who have kept in the middle of the road and have unswervingly endeavored to meet their duties courageously and intelligently.

Blocking Orderly Procedure

ALL who have come in contact with failed legal reserve companies see the tremendous injustice and waste to policyholders involved in the time elapsing between the collapse and the approval of a contract whereby the failed company is taken over, either through reinsurance or by a management contract. Unfortunately there are many who try to "horn in" at a time of company failures. There is interminable delay, many hearings held by the court, much pulling and hauling.

We see the effect of this attempt to block procedure in Michigan where some persons are endeavoring to secure the appointment of a special Michigan receiver for the PEORIA LIFE. It is contended by the Illinois insurance department and the courts in Illinois that the administrative receiver in Illinois has complete jurisdiction over all the PEORIA LIFE business. That is just as it should be. A contract which is entirely fair has been approved by the Illinois department and the court at Peoria. Despite this, complications arose in Michigan when an attempt was made to secure a

receiver there by interested persons—interested perhaps for themselves.

The absurdity of the Michigan proceeding is seen when it is disclosed that there are some \$2,500,000 in reserves on Michigan policies. There are some \$80,000 in death claims that should be paid and would be paid if it were not for this blocking of progress in Michigan. The real estate owned by the Peoria Life in Michigan consists of one farm and one in course of foreclosure, the total value of both being probably \$2,500. It is thus seen that those with a supposedly commercial eye are endeavoring to do their utmost to thwart the orderly procedure.

VINCENT COFFIN very graphically said the other day, in giving advice as to how to get action: "Bring the future up to the present and let the prospect look at it." If an agent has the faculty of portraying the prospect's possible situation at the time when his life insurance becomes a vital thing, his selling power will be tremendously increased.

PERSONAL SIDE OF BUSINESS

Judge Charles T. Warner, Ohio superintendent of insurance, and Mrs. Ruth Mayer, his secretary, were married the day before Thanksgiving. They are spending their honeymoon in Florida.

Mrs. Mae Barr Long, deputy insurance commissioner of California, who was confined to a San Francisco hospital for some time following an operation, has returned to her home and is expected to be back at her desk about Dec. 15.

J. F. Maine, recently appointed agency executive of the London Life of Canada and chairman of the Industrial Section of the American Life Convention, is probably best known outside of life circles as a lecturer on the Oberammergau Passion Play. Mr. Maine has given his lecture on this subject more than 100 times. He has witnessed the play and studied it carefully. In London, Ont., Mr. Maine has been active also in civic affairs and served for several years on the school board there.

The agency forces of both the Camden and Philadelphia offices of the Louis F. Paret agency of the Provident Mutual Life tendered a luncheon to Mr. Paret Tuesday in Philadelphia in honor of his birthday. He received a number of congratulatory letters and telegrams from his friends in the insurance field.

Both the Atlantic Life and the Life of Virginia won blue ribbons in the recent Community Fund drive in Richmond. The blue ribbon is awarded companies and offices whose employees contributed more than one day's pay each. Among the agencies winning this honor was that of the Aetna Life.

George E. Murrell, long an official of the Southern Railway, died last week. He was the father of T. G. Murrell, manager of the Connecticut General in New York City, and W. L. Murrell, who is with the life department of the Travelers in Hartford.

C. C. Hole, for many years traveling editor of the Sun Life of Canada, died recently while on a visit to California. He had filled a number of responsible positions with the company prior to his retirement in 1931.

W. P. Stagg, for five years manager of the Columbus, O., agency of the New York Life, entertained at a dinner there in commemoration of the anniversary, with 75 present. Among those from outside the city in attendance were Dick Oliver, St. Louis, inspector of agencies, who was the guest of honor, and M. B. Flood, inspector of agencies in the Pittsburgh district, of which Columbus is a part.

The Hercules Life and Allstate of Chicago, both of which are controlled by Sears, Roebuck & Co., were represented by Vice-president Carl L. Odell, Walter E. Webb and Attorney H. S. Moser of Chicago at the insurance commissioners' convention in St. Petersburg.

Several Canadians are on hand in St. Petersburg for the meeting of the national Convention of Insurance Commissioners. The delegation includes Insurance Superintendent Foster of Ontario, A. B. Wood and C. S. V. Branch of the Sun Life, A. Gordon Ramsay of the Canada Life, and V. R. Smith of the Confederation Life.

E. F. Mitchell, California commissioner, who is attending the annual meeting of the National Convention of Insurance Commissioners at St. Petersburg, made the trip to Florida by automobile. He was accompanied as far as

St. Louis by his son, B. F. Mitchell, general agent in San Francisco for the General American Life, who will spend several days at the home office of his company before returning to California.

G. C. Holmberg, treasurer of the Northwestern National Life of Minneapolis, has been appointed by the Mortgage Bankers Association as chairman of the mortgage bankers' advisory committee of insurance officials. Other members of the committee are: A. A. Zinn, State Life of Indiana; R. R. Rogers, Prudential; Deane Trick, Bankers Life of Iowa; Paul Vollmar, Western & Southern, and Murray Waters, Aetna Life.

W. B. Goddard, army post representative of the Metropolitan Life, San Antonio, Tex., was seriously injured in an automobile collision, but is said to be making a satisfactory recovery.

A. E. Braun, president of the Reliance Life, has been named a director of the Allegheny Steel Company of Brackenridge, Pa. He is also president of the Farmers Deposit National Bank and a director of numerous business enterprises.

Isaac Miller Hamilton, president of the Federal Life of Chicago, was bereaved by the death of his sister, Mrs. Anna H. Moore, widow of an old-time director of the company. For five years she had been making her home with Mr. Hamilton, being ill for three years of this time and in bed for the last several months. She was a pioneer Illinois resident and spent most of her life at the old family home in Hoopes-ton, Ill., where services and interment were conducted.

Commissioner U. A. Gentry of Arkansas and Miss Bernice Crafton were married Thanksgiving at Little Rock, Ark. Their wedding journey includes a stop at St. Petersburg, Fla., to attend the National Convention of Insurance Commissioners meeting.

E. M. Allen, executive vice-president National Surety, will be the guest speaker at the luncheon of the Insurance Advertising Conference Dec. 12 at the Hotel New Yorker, New York. The executive meeting of the conference will be held Dec. 11. The separate groups will meet Wednesday morning and the general meeting will not be held until after the luncheon.

Commissioner W. A. Sullivan of Washington received word of the sudden death of his wife's mother in Seattle while he was attending the National Convention of Insurance Commissioners annual meeting in St. Petersburg. Commissioner and Mrs. Sullivan were married a month ago.

J. H. Robinson, 72, president of the American Mutual Life of Providence, R. I., died at his home in Brookfield, Mass., following a heart attack. He retired from active executive work in 1919. He was formerly president of the Vermont Life.

Frank M. See, St. Louis general agent for the New England Mutual Life, has been elected vice-president of the Gavel Club of Greater St. Louis. Mr. See also has been made chairman of the sponsoring committee for the outdoor Christmas lighting contest in St. Louis.

C. D. Dunne, associated in the publication of the "Insurance Index" of Chicago, is recovering from a major operation at the Mayo Clinic, Rochester, Minn. He is a son of J. E. Dunne, head of that publication. The son sustained injuries more than a year ago when he was attacked by gangsters and never completely recovered.

NEWS OF THE COMPANIES

Analysis of Business Shown

Canada Life Furnishes High Spots in Its Operations for the Present Year

W. A. P. Wood, assistant general manager of the Canada Life, has furnished the following information with regard to the company:

1. (a) The new life insurance paid for this year up to date is practically the same as for the corresponding date last year but the amount of new annuity business written has increased very materially.

(b) It attributes the increase in the annuity business to the fact that many people have been greatly disturbed by their losses in other investments and desire to have something more sure. The difficulty in obtaining good dividend returns in connection with new investments has also increased the demand for single premium annuities.

2. It has been writing annuities, but in recent months it has been endeavoring to get agents to stress life insurance rather than annuities.

3. About 34 percent of the new business this year in Canada and the United States has been issued to old policyholders.

Percentage of Surrenders

4. Up to the end of October in the case of direct written business (that is, excluding business coming by way of reinsurance) the amount surrendered decreased 25 percent compared with the amount surrendered the same period of last year. However, as the ratio of the sums surrendered to the sums in force at the beginning of the year was 5.65 percent for 1933 and 4.46 percent for 1934, there was for the year 1934 a decrease in the ratios of 21 percent of the 1933 ratio.

Up to the end of October in the case of direct written business the amount which lapsed has decreased 37 percent. According to the formula which it has been using in connection with lapses for

some time the lapse ratio for this period in 1933 was 22.8 percent and in 1934 it was 16.7 percent. Accordingly, the 1934 ratio shows a decrease of 27 percent of the 1933 ratio.

The amount of the policy loans has decreased 6 percent. Since the policy loans outstanding Dec. 31, 1933, were 16.55 percent of the total assets at the beginning of the year and on Oct. 31, 1934, were 14.81 percent of the total assets at the beginning of that year, it will be seen that for 1934 the decrease in this ratio was about 10 percent of the 1933 ratio.

5. The number of annuity contracts paid for up to the end of October was 25 percent of the total of life and annuity contracts paid for in the same period.

Campaign Proved Successful

Connecticut General Life's Contest in Honor of President Huntington's Anniversary Got Results

The Connecticut General Life campaign in honor of President R. W. Huntington's 45th anniversary with the company, lasting 45 days, resulted in \$862,702 in premiums and over \$30,000,000 in new life insurance. There were 7,036 applications. Out of 53 agencies, 48 exceeded 100 percent of their allotments and 453 agents were enrolled on the honor list.

Vice-president F. B. Wilde divided the 53 agencies into six teams captained by Vice-presidents G. E. Bulkley, R. H. Cole and J. M. Laird, and E. C. Henderson, actuary, G. W. Skilton, comptroller and C. H. Voorhees, counsel, each assisted by five aides, men known personally to the agencies sponsored by them.

The winning team, captained by Vice-president Cole, wrote 297 percent of its allotment. The winning agencies in each team with percentage of allotment written are as follows: Haviland Agency, Chicago, 486 percent; Murrell Agency, New York Branch, 473 percent; Gastil Agency, Los Angeles, 728 percent; Luick Agency, Minneapolis, 615 percent; Hall Agency, Burlington, Vt., 450 percent; R. L. Pixler Agency, Huntington, W. Va., 558 percent. The leading individual scores were made by H. Langenheim, Los Angeles; M. D. Pomeroy, Springfield, Mass.; P. T. Aubin, Chicago; J. B. Wallace, New Haven; H. J. Shackleton, Utica; J. McMenamin, Norfolk; H. K. Nickell, Chicago; W. F. Leahy, Gorton & Co., Hartford, and H. A. Bodwell, Boston.

The results demonstrate the progress made by the Connecticut General in the last three or four years in building up the agency organization and the type of man attracted to life insurance by the prestige the business has gained as a result of its record in withstanding the recent financial pressure.

Celebrated with Banquet

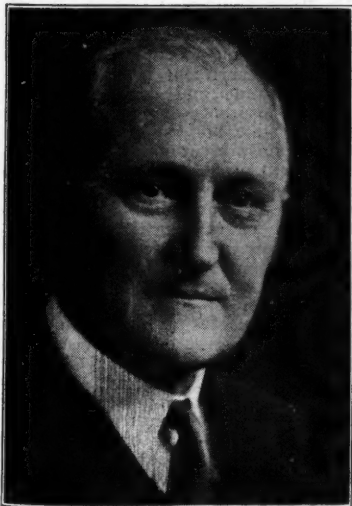
The Connecticut General celebrated the close of the campaign in honor of President Huntington with a banquet.

Vice-president E. B. Wilde, head of the agency department, was toastmaster and presented to President Huntington a record of the results of the campaign beautifully engrossed by Harry Dorr and bound in morocco. Vice-president G. E. Bulkley introduced the president who thanked the agents for their tribute. F. H. Haviland, manager at Chicago, and J. L. Hall, general agent in Burlington, Vt., for 38 years, responded for the agency organization.

The menu included venison brought back from a hunting trip in northern Maine by George Risley and George Capen. For place cards small boxes were used containing the Connecticut tercentenary medal in bronze.

The following general agents and managers attended the dinner: J. A.

Agency Executive



J. F. MAINE

The agency departments of the London Life have been reorganized and J. F. Maine, formerly superintendent of industrial agencies, has been promoted to agency executive. The activities of both industrial and ordinary agencies are now in charge of J. G. Stephenson.

Mr. Maine was reelected chairman of the American Life Convention's Industrial Section at the last meeting. He has been in the business for 40 years and is a keen student of agency problems.



Our Policy of Operation

-Sound management by insurance experts.

-Safe, well-diversified investments.

-A complete line of life insurance and annuities that satisfy policyholders' needs.

The Lincoln National Life Insurance Co.

Fort Wayne, Indiana

Its Name Indicates Its Character

GUARDIAN LIFE

NEWS

A Solid Year of Gains!

During the first 10 months of 1934, Guardian paid production was 46% ahead of the first 10 months of 1933. October paid production was 61% greater than that for October last year. And—October marked the 12th consecutive month in which production gains were made by The Guardian's Field Force!

1934 has been a good year for The Guardian Life! The Company's assets have passed the \$100,000,000 mark. New business-producing contract forms have been added to the wide variety of Guardian policies. Man-power has grown.

The entire Company looks forward to 1935—its 75th Anniversary Year—and new records!

THE GUARDIAN LIFE

INSURANCE COMPANY OF AMERICA

ESTABLISHED 1860

50 UNION SQUARE

NEW YORK CITY

Coffman, Cleveland; Walter G. Gastil, Los Angeles; J. C. Gorton, Hartford; J. V. Gridley, Boston; J. L. Hall, Burlington, Vt.; F. H. Haviland, Chicago; D. J. Luick, Minneapolis; T. G. Murrell, New York; H. E. Nyhart, Indianapolis; R. L. Pixler, Huntington, W. Va.; T. W. Russell, Hartford; and J. B. Slimm, Utica. Other field representatives present were: P. T. Aubin, Chicago; W. G. Batchelder, Cleveland; H. A. Bodwell, Boston; W. A. Dickerson, Columbus; H. B. Eames, Boston; C. C. Goodsell, Indianapolis; T. D. Hayes, Boston; I. F. Kauffman, Minneapolis; Hay Langenheim, Los Angeles; W. F. Leahy, Hartford; R. J. Maddigan, Chicago; John McMenamin, Norfolk; H. K. Nickell, Chicago; M. D. Pomeroy, Springfield, Mass.; H. J. Shackleton, Utica; and J. B. Wallace, Jr., New Haven.

Honor President Cochran

The Pacific Mutual Life has designated December "Cochran Appreciation Month," and a record breaking volume of production of new insurance is sought. Each application written will be accompanied by an attractive greeting card signed by the agent and on its arrival at the home office the card will be placed on President George I. Cochran's desk.

Salary Cuts Are Restored

The Jefferson Standard Life has restored in full the salary cuts which were applied to all members of the home office staff in June, 1932.

Southland Reports Gains

DALLAS, Dec. 6.—A favorable increase in cash receipts has been noted in 1934 by the Southland Life, according to H. L. Seay, president. There has been a gain of 35 to 40 percent in both premium and interest accounts. Improvement is also shown in mortgages, both in the redemption of foreclosed property and the rehabilitation of delinquent loans.

Creditors to Be Paid

The district court at Muskogee, Okla., has ordered J. B. Thompson, receiver of the Liberty Life of Oklahoma City, to make payment of claims to creditors. Mr. Thompson estimates that about 46.5 percent of the face of the policies will be available for distribution.

Policyholders Service Bureau

C. L. Preston, president of the George Washington Life, announces the establishment of a new unit known as the policyholders' service department. It will be under the direction of J. L. Seward, who has been with the company for several years. Its purpose will be to answer all inquiries from policyholders on any subject pertaining to their life insurance, and to keep them advised of the activities of the company.

Ask Elkhart National Receiver

The Indiana insurance department, through the attorney general, has applied for a receiver for the Elkhart National Life of Elkhart, Ind., which has been operating as an assessment company for the past two years. An examination by the department revealed an impairment of between \$3,000 and \$4,000 in death claims and other indebtedness. The case will be heard in Elkhart county Friday.

Hold Series of Schools

A series of four-day industrial sales schools is being conducted throughout Oklahoma by William McCallum, executive vice-president and general manager, as a feature of the American Union Life's new business drive.

Life Company Notes

The home office of the recently organized Western Life of Oklahoma City has been established in the Key building. Garfield Buell of Tulsa is president.

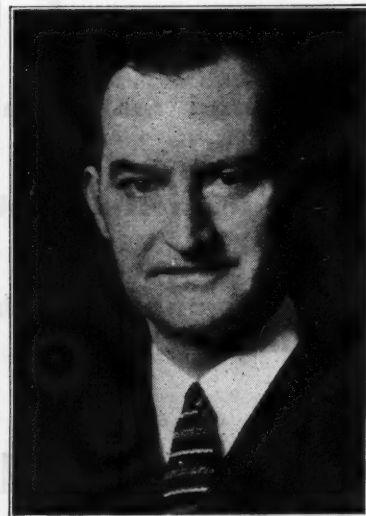
After two years of inactivity, the Provident Mutual Life, Oklahoma City benefit society, has resumed business with offices in the Ramsey Tower. J. W. Gilchrist is president.

AMONG COMPANY MEN

Joins Continental Assurance

William A. Fairlie of Springfield, Ill., Makes Connection with Prominent Chicago Life Company

William A. Fairlie of Springfield, Ill., who for 12 years served in the home office of the Abraham Lincoln Life, has



WILLIAM A. FAIRLIE

been appointed special agency supervisor of the Continental Assurance of Chicago. He has been engaged especially in sales promotion and agency supervisory work. He served in the actuarial department and then was made assistant actuary and manager of the conservation division. He joined the agency department in 1929 and was appointed manager of agency service. Mr. Fairlie won first prize at the annual meeting of the Life Advertisers Association at Memphis in November on conservation literature. In the sales contest material he won honorable mention.

Mr. Fairlie was born in Kingston, Can., and graduated from Queen's University in 1913 as civil engineer. He served in the British navy and commanded a mine sweeper and patrol boat during part of the war. In connection with his civil engineering service he was resident engineer when the Akron, O., viaduct was built. He is a brother of the late James Fairlie, who was vice-president and actuary of the Abraham Lincoln Life.

Promotions by Pacific Mutual

Dr. Johnson and Secretary McClung Named Vice-Presidents — Several Junior Vice-Presidents Appointed

The Pacific Mutual Life has named Dr. Millbank Johnson vice-president. He is a director of the company and chairman of the claims committee. At one time he was assistant medical director.

S. F. McClung, secretary, has been given the additional title of vice-president. He was elected assistant secretary in 1913 and seven years later was elected head of the secretariat. He has been a director for several years.

The title of junior vice-president has been conferred upon L. J. Cooper, assistant actuary; J. B. Rhodes, superintendent of claims accident department, and L. U. Stone, assistant secretary. The advanced title in each case to be prefixed to the older title, which is retained. Harry Samm, assistant superintendent of claims accident department, has been made an executive officer with the title of assistant secretary.

Prudential Promotions Made

Henry B. Sutphen Has Been Made Vice-President in Charge of Agency Forces

A number of important promotions and other changes at the home office of the Prudential are announced.

Henry B. Sutphen, second vice-president, has been named vice-president and will assume the management of the agency forces, formerly under the supervision of Vice-President George W. Munsick, who will continue his many other activities in the administration. Assistant Secretary Arthur C. Metz is promoted to second vice-president. Supervisor Harold M. Stewart is promoted to assistant secretary of the eastern group. Division Manager Earl G. Wilkinson is promoted to supervisor of the

northern group. Supervisor Harry H. Parberry is transferred from the northern group to supervisor of the western group. Supervisor William H. Bettner is transferred from the western group to supervisor of the southern group. Assistant Division Manager Leslie S. Crater is promoted to manager of Canadian division. Assistant Manager Paul B. Palmer, Division C, is transferred to assistant manager of Division G, succeeding Mr. Crater. John H. Albers is promoted to assistant manager in Division C.

Mr. Sutphen was enrolled as a clerk Aug. 1, 1900, in division J. On Feb. 12, 1906, he was made junior assistant manager in that division and on June 3 of the following year became assistant manager. He remained in division J until March 30, 1908, when he was transferred to division P. He was made manager in January, 1909. He took over the supervision of other divisions. In February, 1918, he was made acting supervisor and in July of that year was made supervisor. He became assistant secretary on March 9, 1925, and on Sept. 9, 1929, was made second vice-president.

AS SEEN FROM CHICAGO

LEADS ALL COMPANY'S AGENCIES

The F. J. Budinger agency of the Franklin Life in Chicago is leading all of the company's general agencies in new, written and paid for business. Mr. Budinger plans an intensive recruiting campaign in 1935.

CODE IS BEING PRINTED

The proposed insurance code of Illinois, which has been prepared under the auspices of the Illinois insurance department, is now being printed and will be available in a short time. Hearings will be held as soon as the machinery can be set in motion by Insurance Director Palmer on his return from St. Petersburg, Fla., where he is attending the annual meeting of the National Convention of Insurance Commissioners.

UNDERWRITERS GROUP TO MEET

The Home Office Life Underwriters of Chicago will meet the evening of Dec. 13 at the Bismarck hotel in a round table. R. J. Campbell, Continental Assurance, will be chairman. This is a new organization, one member being designated each month responsible for the program.

GOOD WORK OF LAIRD UNIT

On Dec. 1 the W. L. Laird unit of the D. C. Kemp Agency, Equitable Life of New York in Chicago, celebrated its first anniversary. The first 11 months under his leadership, the unit with several less members than existed a year ago, has shown an increase in paid volume of 85 percent, and an increase in paid premiums of 145 percent over the corresponding period of 1933. In Mr. Laird's unit there are six Agency club members so far this year as follows: Harry F. Ollendorf, \$300,000 Club; Helen M. Cepp, \$200,000 Club; W. L. Laird, H. T. Daemicke and H. T. Remke, \$150,000 Club, and E. J. Finn, \$100,000 Club. Both Mr. Laird and Mr. Daemicke have maintained a perfect score in the App-a-Week Club for 1934.

At the anniversary meeting of the Laird unit, the principal speaker was W. M. Rothaermel, superintendent of agencies. In November, the Laird unit paid for over \$300,000, with unit premiums of over \$12,000.

GIVES INSURANCE SYMPOSIUM

A suburban agent who is a live wire in his community, John A. Kappelman of Evanston, together with the Evanston "News-Index," a daily paper, sponsors an annual "free public school of insurance information." The public is invited to attend and listen to speakers who interpret insurance in language the

premium payer can understand. This year the people are invited to attend the school Dec. 12. Howard Berolzheimer, lecturer in insurance at Northwestern University School of Commerce will preside. R. D. Flinn, Chicago manager of the Fidelity & Guaranty Fire will give practical information on fire insurance. J. Dillard Hall, Chicago co-manager of the United States Fidelity & Guaranty will elucidate casualty coverages. Actuary W. O. Morris of the North American Life of Chicago, will explain the more popular life insurance policies and their provisions.

INSURANCE DIVISIONS WORK

H. A. Behrens, president of the Continental Casualty, who has been re-appointed chairman of the insurance division of the Illinois Chamber of Commerce, and J. S. Kemper, president Lumbermen's Mutual Casualty, who has been reappointed chairman of the division's executive committee, met this week with Secretary J. T. Meek of the division to determine the personnel of the division. The insurance division has accomplished two very important results in Illinois. In the first place, it fostered the movement to divorce the insurance department from the department of trade and commerce, which made the insurance director independent of other state bureaus and placed that work in its present important position. In the next place, the division instituted during the year a movement to back up the insurance department in the enforcement of existing insurance laws. The division was particularly interested in having the department clean out irresponsible mutual benefit assessment life concerns.

The immediate program before the division is to secure the revision and codification of the insurance laws. Insurance Director Palmer will soon have a new code ready for presentation. The division has not taken the position of backing the code in its entirety because it has not had an opportunity to digest it. It will, however, put its influence back of all its features that it can honestly recommend.

WOODARD VOLUME IN INCREASE

The Selwyn C. Woodard Organization of Chicago, which represents the New England Mutual, is going strong. Last June, Mr. Woodard returned to Chicago after a six months' vacation in Florida, gathered a few of his old agents, and opened his office in the Bankers building, placing through the Fowler general agency. Every month there has been an increase, and November paid for was over \$200,000, exclusive of single premium and annuities, coming from

Mr. Woodard and six agents. Mr. Woodard formerly was general agent National Life of Vermont, taking that company in Chicago when it was doing less than a million a year, and building it in four years to the second ranking

agency of the company, and on a real full time basis. Mr. Woodard expects to do \$1,500,000 in his first full year back in the business. He maintains his own office, putting most of his own commissions back into the business.

LIFE AGENCY CHANGES

Anderson Takes Seattle Post

Appointment by Yeomen Mutual Completes 1934 Development Plans on West Coast

R. R. Anderson of Des Moines has been appointed regional manager for the Seattle branch office of the Yeomen



R. R. ANDERSON

Mutual Life. The Seattle territory comprises approximately 20 counties. Within the next year the Yeomen Mutual will have established thoroughly equipped branch offices throughout the west coast field. Branches are now maintained at San Diego and Los Angeles, and with the appointment of Mr. Anderson, the development planned for 1934 is complete.

Mr. Anderson entered life insurance in 1919 as a salesman for the Missouri State Life, later being promoted to agency supervisor out of the home office, traveling practically the entire country. His previous connection necessitated concentrated supervision in the northwest territory, to which he now goes to make his home.

Curry Goes to Old Territory

R. E. Shay Is Appointed Agency Manager of the Bankers Life at Minneapolis

George D. Curry, who has been doing special emergency work for the Bankers Life of Iowa in Minneapolis territory for the last year, has returned to his regular field and will now devote all his time to the management of the Mankato, Minn., territory. While he was at Minneapolis he also retained direction over the Mankato district.

R. E. Shay has been appointed agency manager at Minneapolis. For the last five years he has been associated with the Minneapolis agency of the Massachusetts Mutual as assistant general agent. He was born in Lake Mills, Ia., 33 years ago and moved to Minneapolis when he was 15 years of age. He attended the University of Minnesota and was captain of the tennis team. He served during the last year as president of the Minneapolis Golf League.

Sam Weems Retires at Dallas

Ill Health Forces Minnesota Mutual General Agent to Relinquish Duties to Beckham

DALLAS, Dec. 6.—Sam R. Weems, Dallas general agent of the Minnesota Mutual Life, has retired. He is succeeded by H. V. Beckham, associate general agent and formerly cashier of the Weems agency. Mr. Weems has not only been a leading general agent but he is a consistent producer of a large personal volume.

The change was made at the request of Mr. Weems, who suffered a physical breakdown three or four years ago, and who since that time has put his principal energy into the task of recovering his health. He has decided to give up the onerous duties of agency building and management and in the future devote his entire time to his personal account.

Mr. Weems brought the Minnesota Mutual Life into Texas almost 20 years ago and has built up a tremendous volume of business. The Minnesota Mutual now has in force in the city of Dallas more insurance than in any other city in the country, including its home office city of St. Paul. Mr. Weems has been a million dollar producer several times and for years was the leading App-a-Week Club member of the company and his presence on the company's various honor clubs was taken as a matter of course. He also has been the company's leading individual producer in several years.

Mr. Beckham has been with the Minnesota Mutual for nine years, and has developed rapidly under the careful training of Mr. Weems.

Deaton Named General Agent

M. L. Deaton has been appointed general agent with headquarters at Iowa City, Ia., by the Continental Assurance. He has a long and successful record in life insurance, starting with the Metropolitan in Illinois. He was later transferred to Iowa.

He made a successful record as district agent of the Northwestern Mutual at Iowa City and later became general agent of the Aetna Life in that city. Subsequently he served as supervisor in the S. T. Whatley agency of the Aetna in Chicago. Returning to Iowa, he became supervisor in the Des Moines general agency of the Aetna, which post he has just resigned.

Hume With Home Life

Henry Hume of Albany, N. Y., has become general agent there of the Home Life. Mr. Hume has been with the Travelers in Albany for several years. He was the first Albany agent to qualify for the C. L. U. degree.

Durgin with the Reliance

The appointment of F. J. Durgin as district agent in San Diego for the Reliance Life of Pittsburgh is announced by V. J. Adams, manager of the southern California department. Mr. Durgin spent 15 years with the Fidelity Mutual and four with the Peoria Life. He has associated with him in San Diego Paul J. Hartley and contemplates building a strong unit of producers in that territory.

J. S. Murphy Has Resigned

John S. Murphy, who has been production manager for the Clay W. Hamlin Company of Buffalo, general agent Mutual Benefit Life, has resigned. When

AMERICAN CENTRAL LIFE

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FOR THE \$200,000 PRODUCER in Northern New Jersey

To men with a consistent record of annual paid-for production of \$200,000 or more we offer an exceptional opportunity — one appointment open in each of the following counties:

Bergen Hudson Passaic Union
Essex Morris Somerset

INTERESTED? Then write:

VINCENT W. EDMONDSON, Supt. of Field Service

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he went with the agency he had experience as manager of the Equitable Life of New York in Minnesota and the middle west. Following this he was general agent of the Home Life in the same territory. He has been four years with the Hamlin agency. Mr. Murphy is leaving on a trip to Bermuda. He has not made a connection yet.

Montreal Managers Named

The Northern Life of London, Ont., has appointed G. M. Marshall and Edgar A. Dionne managers in Montreal. Each of these men will have a separate office. Mr. Marshall is in the University Tower building and Mr. Dionne in the St. Denis building.

Walsh with State Mutual

Thomas Walsh of Hartford has become a representative there of the State Mutual. For many years he was associated with his brother in the Massachusetts agency in Hartford. More recently he has been with the Fidelity Mutual. He will have his own office at 750 Main street. The State Mutual has another agency in Hartford at 18 Asylum street in charge of C. C. Church, established last year.

Open New Life Department

Alexander & Alexander of Baltimore, have set up a life insurance department in their organization. The life business is wholly on a brokerage basis at present. P. W. Ness is manager of the department.

Miss Huber to Equitable Life

Miss Blanche C. Huber, assistant secretary of the Louisville Board of Fire Underwriters and also of the Kentucky Association of Insurance Agents, has resigned that post effective Jan. 1 to go with the Equitable Life of New York in Louisville. Miss Huber some years ago was with the Home of New York in Louisville. She has been with the board about six years.

Shields With New England Mutual

Roy Shields, for some years associate general agent of the Massachusetts Mutual Life in Indianapolis, has joined the Indianapolis office of the New England Mutual Life, of which W. H. Meub is general agent. Mr. Shields is a large personal producer and has handled some of the larger policies written in Indianapolis.

Fosdick & Derby

The State Life of Indiana has named W. A. Fosdick and H. A. Derby general agents in Dallas. They will report through the Chapman & Rinker organization, managers for Texas. Each of the new general agents has been with the company for three years. Mr. Fosdick formerly was with the Manhattan Life.

Made San Antonio General Agent

E. G. Griffith, formerly with the Southwestern Life at Waco, Tex., has been appointed general agent of the Capitol Life of Denver at San Antonio.

Life Agency Notes

C. A. Runyon is now general agent at Oklahoma City for the Ohio National Life. He has offices in the Midwest building.

W. F. Duncan of Asheville, N. C., has been appointed manager of the Volunteer State Life for the western half of North Carolina.

Virgil D. Wright, with the Travelers in Oklahoma and recently with the Great Southern Life in the Rio Grande Valley, has been appointed district agent of the Connecticut Mutual Life at McAllen, Tex.

A. C. Utter, Michigan state agent for the New England Mutual Life, Detroit, has announced the affiliation with his agency of W. C. Leland, former executive head of the Cadillac Motor Car Company and the Lincoln Motor Car Company.

Opens Ordinary Office



WALTER F. TURCK

Walter F. Turck has been appointed manager of a downtown Chicago ordinary office of the American National Life which has just been opened in the Board of Trade building. Another ordinary office is maintained by the company at 2400 West Madison street, managed by J. S. Baima.

Mr. Turck has had some 12 years' life insurance experience, all in Wisconsin. For nine years he was Wisconsin manager for the North American Life with headquarters in Milwaukee and then was assistant manager of the Prudential's ordinary department in Wisconsin, also at Milwaukee. He plans to build an agency organization slowly and carefully. His company is one of the leaders in the industrial field, last year having written \$196,511,629, and having shown a net gain in force of \$4,207,856, with total in force \$515,000,000. It has \$50,331,640 assets and the very high ratio of capital and surplus to total liabilities of 24.2 percent.

CONVENTIONS

Agents on a Trip to Mexico

Great American Life of San Antonio Maps Out Itinerary for Its Annual Gathering

The Great American Life of San Antonio mapped out a trip to Mexico this year for its people who have qualified. The party will be headed by President Charles E. Becker, who will be accompanied by Mrs. Becker. Arrangements have been made to leave San Antonio the evening of Dec. 28, arriving in Mexico City Dec. 30. The conventioners will visit points of interest in Mexico City and its environs, taking one day for a visit to Cuernavaca. They will go from Mexico City to Guadalajara and will spend Jan. 5 in that city. They will return to San Antonio Jan. 8.

Mr. and Mrs. Becker spent two weeks in Mexico City last year and are charmed with it. Hence it was thought appropriate to offer the trip to qualified agents. About two weeks after the conventioners return home, Mr. and Mrs. Becker are planning to spend three or four months in Europe.

A. J. Groesbeck, president of the Michigan Life, Detroit, has been elected president of the Monroe Paper Products Co.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

OFFICE MANAGEMENT COURSE

The Life Office Management Association, 110 East 42nd street, New York City, is issuing the syllabus of Course III in the institute which it conducts, being offered to graduate students on office management. The course has been prepared by a committee consisting of Malcolm Adam, assistant vice-president Penn Mutual, who is chairman, and who directs the work in "Selection of Risks;" A. A. Rydgren, president Continental American Life, who prepared the curriculum on "Office Management," and Willard Holt, assistant secretary of the Provident Mutual, who directs the course in "Life Insurance Accounting." William Barber, associate actuary of the Connecticut Mutual, is general chairman of the Life Office Management Association institute educational committee.

BACK RIEHLE PROGRAM

The New York City board of managers of the Equitable Life of New York, whose 33 agencies account for about 30 percent of that company's business, have adopted a resolution endorsing the recent memorandum of President T. M. Riehle of the National Association of Life Underwriters, on the three basic problems confronting the field forces of American legal reserve life insurance. The board of managers further resolved

that "we immediately proceed to obtain specific data from experience in Equitable agencies in New York which when assembled will enable us to arrive at definitions and principles that will be acceptable to and enforced voluntarily by the members of this board, in their own organization, with all responsibility therefor resting upon them as members of this board."

A copy of the resolution was forwarded to the New York City Life Managers Association and to the New York City Life Underwriters Association, with an expression of the board's willingness and desire to cooperate with them in arriving at a uniform agreement, to be acceptable to and recognized by life insurance agencies in the metropolitan district of New York.

NOVEMBER PRODUCTION FIGURES

Paid-for business of the Julian S. Myrick agency of the Mutual Life of New York for November was \$2,723,161 as compared with \$1,626,137 for 1933. For the year to date the total paid-for is \$24,140,216 against \$18,670,715 for the same period last year.

The Fraser agency of the Connecticut Mutual Life in New York City paid for \$35,571 in November, as against \$819,097 for November last year, and for the year to date \$11,183,400 as against \$9,705,034 for the same period last year.

NEWS OF LIFE ASSOCIATIONS

Agent-Company Relations Up

Higdon Says Agent Should Not Advise on Financial Strength of Life Carriers

The relation of agents to company management was discussed by J. C. Higdon, vice-president Business Men's Assurance, before the Life Underwriters Association of Kansas City, Mo. Stressing the comparatively small percentage of assets represented by failed companies, Mr. Higdon said that out of 22 companies, 21 failed because of bad management. In other words, there is nothing inherently wrong with the system. Management of failed companies did not follow the rules.

What should the agent answer when asked: "What about So-and-So Company?" The question is one that perplexes the conscientious agent, particularly at the present time when it is asked so frequently, said Mr. Higdon. Of the three means of judging the financial condition of life companies—rating services, insurance department statements, and analyses by the life underwriter of financial statements—none is really satisfactory or dependable.

Rating Proves Ineffective

"We have seen instances where a company given a good rating has gone into receivership inside of four or five years. It isn't, then, a dependable yardstick for the underwriter giving advice to a policyholder who may have all his savings involved and whose insurance must be safe for a period of years to accomplish what he wants it to."

"Insurance department statements have not always been accurate indications of the safety of companies."

"The average agent's analysis of a company's statement consists in noting its two or three million in railroad bonds (or farm mortgages, or what not) and remarking, 'You know what they are!'"

"Many banks were forced to close during the depression because of bad reports and rumors about their condition. Their closing, with heavy losses to depositors, in many instances was unnecessary. The same thing can happen to life

insurance companies, which are organized, not particularly for liquidity but for safety of investment."

Mr. Higdon thinks it is not the agent's function to judge. He should know that the future for life insurance is optimistic, but loss through ownership of life insurance has been very small, while it would be impossible to measure the loss due to withdrawal of insurance on advice.

Rebating, twisting, one-case agents, and poor agents in general were cited by Mr. Higdon as controllable factors that may destroy the present favorable attitude of the public toward life insurance. How can these factors be controlled? Legislation? Qualification laws have proved more or less ineffectual. Why don't companies do it? They can't, they have to do business on the basis of conditions as they find them. The individual agency can do little.

"The real way," Mr. Higdon asserted, "is through life underwriters' associations, which can exert a tremendous amount of influence, not only on the public, but on its own members. The development of codes to facilitate self-government by business and industry is an analogous trend."

H. W. Abbott, Pittsburgh general agent of the Massachusetts Mutual, will talk Dec. 18 on the "Ten Coordinating Fundamentals That Attain Selling Success."

Detroit—Ray H. Finger, arch-enemy of the part-timer in insurance and Pittsburgh manager of the Sun Life of Canada, will speak Dec. 13 on "What Gets 'Em." He will be introduced by E. W. Owen, Detroit manager Sun Life, who will have charge of the meeting.

Rockford, Ill.—Dr. H. W. Dingman, vice-president and medical director of the Continental Assurance of Chicago, was the speaker at the November meeting. He stressed the need of greater cooperation between field men and the home office, particularly with regard to medical and underwriting subjects. He feels that medical examiners at the source should complete the examinations promptly and follow instructions religiously. He cited some actual cases where business had been well sold but due to a delay on part of the applicant or examiner death had occurred before the

policy was issued. F. L. Rowland, president of the association, was in charge.

* * *

Boston—The annual meeting will be held Dec. 14. The officers, under the rearrangement of the constitution to conform to the National association year, will be elected for 18 months and the executive committee be reduced from 12 to eight. Paul Speicher, Insurance Research & Review, will speak.

* * *

Northern New Jersey—"Life Insurance and the New Deal" will be the subject of an address which C. H. Voorhees, general counsel for the Connecticut General Life, will make Dec. 10 at Newark.

* * *

Trenton, N. J.—C. J. Zimmerman, president of the Life Underwriters Association of Northern New Jersey, was the speaker at the luncheon meeting on "Less Work, More Pay." The association has not been very active during the past few years, but was reorganized several weeks ago and has started with a membership of about 25.

* * *

Anderson, Ind.—E. A. Crane, general agent Northwestern Mutual, Indianapolis, spoke at a dinner meeting. The Anderson association is the baby association in Indiana. V. U. Poindexter, president, was toastmaster at the dinner.

* * *

Atlanta—United States Senator R. M. LaFollette of Wisconsin addressed the Atlanta association Tuesday on the "Washington Scene."

* * *

North Dakota—Walter Johnson, Equitable Life of New York, led a discussion on selection of agents at a meeting in Fargo. The topic was suggested as a project for all regional associations by T. M. Riehle, National president.

* * *

Milwaukee—The annual meeting will be held Dec. 20. Officers will be elected to serve until June 30, 1936, and the by-laws will be amended to change the fiscal year from Dec. 31 to June 30, together with other minor changes to conform to recommendations of the National association to make all local association by-laws uniform.

* * *

Des Moines—Snowbound in Minnesota, F. T. McNally of Minneapolis was unable to speak Saturday as scheduled and the meeting was postponed to Dec. 8.

* * *

Joliet, Ill.—R. P. Thierbach, assistant director of agencies of the Northwestern Mutual, will speak at the Dec. 13 meeting on "What Do You Do With Your Time?"

MANAGERS' ASSOCIATIONS

Los Angeles Group to Elect

The nominating committee of the Life Managers Association of Los Angeles has been appointed and officers will be elected at the next meeting. A Christmas party is scheduled for the second meeting in December. J. E. Davis, Los Angeles chief of police, spoke at the last meeting on "Communism."

Extend Legislative Program

Two more bills have been added by the Nebraska Life Managers Association to the list that it will ask the legislature to enact at its coming session. One forbids in direct terms the organization and operation of mutual benefit associations, which are still giving the Nebraska department much trouble despite court decrees that they are not sanctioned by the existing statutes. The other would change the law relating to issuance of juvenile policies, by leaving optional with the companies the amounts written in all cases.

Utah Managers Gather

Governor H. H. Blood of Utah was the principal speaker before the Utah Life Managers Association in Salt Lake City. W. M. Jones, manager Business Men's Assurance, spoke on "Agency Planning for 1935."

ACCIDENT—HEALTH

Explains Legacy Supplement

Vice-president Stone of the Pacific Mutual Tells About New Practice Inaugurated

L. U. Stone of Los Angeles, junior vice-president Pacific Mutual Life, elucidates more clearly the new legacy supplement issued by the company. He feels that a description of this supplement in a recent issue was not clear. He says:

"Your description is rather misleading due to the fact that you state the Pacific Mutual by the use of this supplement has adopted the plan of paying the proceeds of an accident policy in installments. This is not a fact. The new 'Legacy Supplement' is an additional feature and is issued for an additional premium. Its operation has no effect, whatsoever, upon the proceeds (principal sum) payable under the accident policy to which it is attached.

Pays Additional Benefit

"In the event of a claim under an accident policy for the accidental loss of life of the insured, the proceeds or principal sum of the policy are paid in a lump sum. The 'legacy supplement,' however, which is attached to the policy, provides for a payment in addition to the principal sum of the policy; this additional payment to be made at the rate of \$50 per month for 100 months.

"We are calling this to your attention for the reason that we do not want the impression to go out that this company is paying the proceeds of its accident policies in monthly installments. This is strictly a life insurance feature and our company, in the past, has consistently refused the requests of its field to provide a means whereby this principal sum could be paid in installments."

Disability Policy Includes Payment for Natural Death

The "Provident provider" policy of the Provident Life & Accident in addition to the usual accident and health coverage provides a cash payment of \$500 for death from natural causes, which is granted by a supplement to the accident and health policy. After two years, the supplement becomes incontestable for any reason except age. In case of termination of the disability coverage, the supplement can be continued in force or it may be converted to ordinary life insurance at the attained age without medical examination. It expires at age 60, but may likewise be converted to ordinary life insurance at that time on payment of premium for the attained age.

"Frills" have been eliminated from the disability policy. Total accident disability is payable from the first day up to 24 months, with two-fifths partial for three months. It pays six months for confining sickness, beginning the eighth day, and full indemnity for one month for non-confining. Blood poisoning, freezing and hydrophobia are covered under the accident section, which also offers broad air travel coverage. It is issued in all classes, A to G inclusive, with three age groups. The principal sum in all cases is \$1,000, but the monthly indemnity may be \$50, \$75 or \$100. The annual premium in class A for \$500 natural death, \$1,000 accidental death and \$50 monthly is \$26.75 for ages 18-25; \$30.45 ages 26-49, and \$34.85 ages 50-55.

Depositors of the defunct Wellston (Mo.) Trust Company will receive a 10 percent dividend. The Continental Life of St. Louis had \$663,532 on deposit in the bank when it closed.

Juvenile Policies Get More Business--Now

● An interesting development in our new Juvenile Policy program is reported by State Life Agents. They find that the Juvenile policies open up a wide range of desirable prospects—children and adults.

● These new policies afford an effective Approach. The alert Agent develops the interview to suit the circumstances. If practicable Juvenile policies are written, on the Twenty Payment Life and the Twenty Year Endowment plans, at ages from one day to insurable age nine.

● Favorite secondary prospects are the father, who may be inadequately insured, and the mother who may have no life insurance. For older children several standard policies may be written.

● This new Juvenile policy program is comprehensive. The policies have the standard policy features. "Applicant Insurance" on the life of the parent or other applicant may be included for eligible risks. The entire program spells added opportunity for State Life Agents. It opens the way to more business — now.

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

1894...PURELY MUTUAL...1934

Term Insurance? No!



18 POLICIES Birth to Age 60

Dependable Protection

Whole Life Special • 20 Payment Life Special • Multiple Option Life and Annuity • 10 and 20 Year Modified Ordinary Life • 10 and 20 Year Family Income • Endowment at Age 65 • Ordinary Life, Endowment at 85 • 20 Payment Life, Endowment at 85 • 10, 15, 20 Year Endowment • Special Convertible Term • 10 Year Term • Children's Policies, Birth to age 10, three forms

There seems to be a growing demand for Term Insurance as a protection against dollar devaluation. In cases where Term Insurance is desired, the Buffalo Mutual "10 and 20 year Modified Whole Life Policies" accomplish the same result at a lesser net cost and in a manner much more satisfactory to the assured. We want to prove this to field men who would be interested in taking on our line in New York or Ohio. For further information write to our Superintendent of Agents, E. Parker Waggoner, Home Office, 452 Delaware Ave., Buffalo, N. Y.

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Monroe or Marchant

If in first class condition;
also two or three Typewriters.

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Southland keeps abreast of the Times . . .

Southland executives regularly attend the following conventions: American Life Convention, Life Presidents' Association, Life Advertising Association, Agency Officers' Association, American Institute of Actuaries, and Insurance Advertising Conference. By keeping informed on all new developments, our agents are never handicapped by lack of Home Office progressiveness.

If you are interested, write to Clarence E. Linz, 1st Vice-President, or to Col. Wm. E. Talbot, Vice-President and Agency Manager.

Southland Life Insurance Company

HARRY L. SEAY, President

HOME OFFICE

DALLAS, TEXAS



North Carolina

R. S. PLUMMER, for many years a successful Supervisor for this Company in Philadelphia, is returning to his native North Carolina. Mr. Plummer will have openings for General Agents in several North Carolina cities (Charlotte excluded.)

Philadelphia Life Insurance Company
111 N. BROAD STREET PHILADELPHIA, PA.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Announce Travelers Changes

Nonparticipating Rate Increase Averages 3 Percent; Surrender Charge Increase Also Made

The nonparticipating life policy rate increase announced by the Travelers, effective Jan. 1, will average about 3 percent, the company states. Surrender charge will be increased so that surrender value will not equal full reserve until the 20th year. Maturity values and surrender values prior to maturity on retirement income and pension insurance plans have been increased. New policy contracts will be brought out.

The company has eliminated from term contracts the provision for conversion as of original date, conversions to be hereafter at attained age only. The minimum limit of \$5,000 on term expectancy and life expectancy is withdrawn. A number of policies will be discontinued, including premium reduction, five year renewable term and pension insurance at ages 55 and 60, and single premium retirement forms.

There will be a decrease in elective annuity cash values and income yield per \$1,000 and the provision for loans

will be eliminated. The percentage of surrender value withdrawal in one year on these forms has been cut from 16 to 15.58.

On annual premium annuity forms the new contracts include a paid up non-forfeiture value whereby on nonpayment of premium the annuitants may allow cash value to accumulate at 3½ percent compound interest and at a later date convert accumulated amounts with life income. The present schedule of maximum premium is retained to age 45, above which age the annual premium maximum is \$6,000 and single premium maximum \$100,000.

The maximum single premium which will be accepted for cash refund annuities and immediate life annuities is \$150,000, this being also the maximum of acceptance on a combination of annuity forms.

Mutual Life of New York Will Increase Dividends

The Mutual Life of New York has adopted a new dividend scale for 1935. Generally speaking, policyholders will receive larger dividends in 1935 than in (CONTINUED ON PAGE 17)

Home Life Dividend Scale Out

The Home Life of New York announces a new dividend schedule for 1935, with increases in the aggregate for preferred policies, decreases for standard policies and a special scale for certain policies with disability income benefits. It is stated that the revision is due to changes in fundamental factors on which past dividend scales have been based,

the company, and the new scale is for policies which do not contain this benefit.

The interest factor in the new dividend schedule is 4¼ percent while 4 percent will be allowed on dividends and funds on deposit.

The form of dividend manual was revised. A reproduction of the page show-

PREFERRED LIFE		LIFE PAYABLE AT 65		DIVIDENDS PER \$1,000 PAYABLE IN 1935 (SEE NOTE ON PAGE 31)		AGE AT ISSUE		PERSONAL INCOME		3 YEAR LIBERTY		5 YEAR TERM		10 YEAR TERM	
REGULAR	DISC 25% OPTION	REGULAR	DISC 25% OPTION	REGULAR	DISC 25% OPTION	AT 18	AT 21	AT 25	AT 30	AT 35	AT 40	AT 45	AT 50	AT 55	AT 60
\$22.00	\$35.00	\$26.42	\$41.17	\$35.35	\$49.25	\$35.35	\$35.35	\$35.35	\$35.35	\$35.35	\$35.35	\$35.35	\$35.35	\$35.35	\$35.35
1.00	3.00	3.52	3.98	4.42	4.84	5.25	5.65	6.04	6.41	6.77	7.12	7.46	7.79	8.11	8.42
1.10	3.10	3.61	4.07	4.50	4.92	5.32	5.72	6.11	6.48	6.84	7.19	7.53	7.86	8.18	8.49
1.20	3.20	3.72	4.18	4.60	5.02	5.42	5.82	6.21	6.58	6.94	7.29	7.63	7.96	8.28	8.59
1.30	3.30	3.83	4.29	4.70	5.12	5.52	5.92	6.31	6.68	7.04	7.39	7.73	8.06	8.38	8.69
1.40	3.40	3.94	4.40	4.80	5.22	5.62	6.02	6.41	6.78	7.14	7.49	7.83	8.16	8.48	8.79
1.50	3.50	4.05	4.51	4.90	5.32	5.72	6.12	6.51	6.88	7.24	7.59	7.93	8.26	8.58	8.89
1.60	3.60	4.16	4.62	5.00	5.42	5.82	6.22	6.61	6.98	7.34	7.69	8.03	8.36	8.68	8.99
1.70	3.70	4.27	4.73	5.10	5.52	5.92	6.32	6.71	7.08	7.44	7.79	8.13	8.46	8.78	9.09
1.80	3.80	4.38	4.84	5.20	5.62	6.02	6.42	6.81	7.18	7.54	7.89	8.23	8.56	8.88	9.19
1.90	3.90	4.49	4.95	5.30	5.72	6.12	6.52	6.91	7.28	7.64	7.99	8.33	8.66	8.98	9.29
2.00	4.00	4.60	5.06	5.40	5.82	6.22	6.62	7.01	7.38	7.74	8.09	8.43	8.76	9.08	9.39
2.10	4.10	4.71	5.17	5.50	5.92	6.32	6.72	7.11	7.48	7.84	8.19	8.53	8.86	9.18	9.49
2.20	4.20	4.82	5.28	5.60	6.02	6.42	6.82	7.21	7.58	7.94	8.29	8.63	8.96	9.28	9.59
2.30	4.30	4.93	5.39	5.70	6.12	6.52	6.92	7.31	7.68	8.04	8.39	8.73	9.06	9.38	9.69
2.40	4.40	5.04	5.50	5.80	6.22	6.62	7.02	7.41	7.78	8.14	8.49	8.83	9.16	9.48	9.79
2.50	4.50	5.15	5.61	5.90	6.32	6.72	7.12	7.51	7.88	8.24	8.59	8.93	9.26	9.58	9.89
2.60	4.60	5.26	5.72	6.00	6.42	6.82	7.22	7.61	7.98	8.34	8.69	9.03	9.36	9.68	9.99
2.70	4.70	5.37	5.83	6.10	6.52	6.92	7.32	7.71	8.08	8.44	8.79	9.13	9.46	9.78	10.09
2.80	4.80	5.48	5.94	6.20	6.62	7.02	7.42	7.81	8.18	8.54	8.89	9.23	9.56	9.88	10.19
2.90	4.90	5.59	6.05	6.30	6.72	7.12	7.52	7.91	8.28	8.64	8.99	9.33	9.66	9.98	10.29
3.00	5.00	5.70	6.16	6.40	6.82	7.22	7.62	8.01	8.38	8.74	9.09	9.43	9.76	10.08	10.39
3.10	5.10	5.81	6.27	6.50	6.92	7.32	7.72	8.11	8.48	8.84	9.19	9.53	9.86	10.18	10.49
3.20	5.20	5.92	6.38	6.60	7.02	7.42	7.82	8.21	8.58	8.94	9.29	9.63	9.96	10.28	10.59
3.30	5.30	6.03	6.49	6.70	7.12	7.52	7.92	8.31	8.68	9.04	9.39	9.73	10.06	10.38	10.69
3.40	5.40	6.14	6.60	6.80	7.22	7.62	8.02	8.41	8.78	9.14	9.49	9.83	10.16	10.48	10.79
3.50	5.50	6.25	6.71	6.90	7.32	7.72	8.12	8.51	8.88	9.24	9.59	9.93	10.26	10.58	10.89
3.60	5.60	6.36	6.82	7.00	7.42	7.82	8.22	8.61	8.98	9.34	9.69	10.03	10.36	10.68	10.99
3.70	5.70	6.47	6.93	7.10	7.52	7.92	8.32	8.71	9.08	9.44	9.79	10.13	10.46	10.78	11.09
3.80	5.80	6.58	7.04	7.20	7.62	8.02	8.42	8.81	9.18	9.54	9.89	10.23	10.56	10.88	11.19
3.90	5.90	6.69	7.15	7.30	7.72	8.12	8.52	8.91	9.28	9.64	9.99	10.33	10.66	10.98	11.29
4.00	6.00	6.80	7.26	7.40	7.82	8.22	8.62	9.01	9.38	9.74	10.09	10.43	10.76	11.08	11.39
4.10	6.10	6.91	7.37	7.50	7.92	8.32	8.72	9.11	9.48	9.84	10.19	10.53	10.86	11.18	11.49
4.20	6.20	7.02	7.48	7.60	8.02	8.42	8.82	9.21	9.58	9.94	10.29	10.63	10.96	11.28	11.59
4.30	6.30	7.13	7.59	7.70	8.12	8.52	8.92	9.31	9.68	10.04	10.39	10.73	11.06	11.38	11.69
4.40	6.40	7.24	7.70	7.80	8.22	8.62	9.02	9.41	9.78	10.14	10.49	10.83	11.16	11.48	11.79
4.50	6.50	7.35	7.81	7.90	8.32	8.72	9.12	9.51	9.88	10.24	10.59	10.93	11.26	11.58	11.89
4.60	6.60	7.46	7.92	8.00	8.42	8.82	9.22	9.61	9.98	10.34	10.69	11.03	11.36	11.68	11.99
4.70	6.70	7.57	8.03	8.10	8.52	8.92	9.32	9.71	10.08	10.44	10.79	11.13	11.46	11.78	12.09
4.80	6.80	7.68	8.14	8.20	8.62	9.02	9.42	9.81	10.18	10.54	10.89	11.23	11.56	11.88	12.19
4.90	6.90	7.79	8.25	8.30	8.72	9.12	9.52	9.91	10.28	10.64	10.99	11.33	11.66	11.98	12.29
5.00	7.00	7.90	8.36	8.40	8.82	9.22	9.62	10.01	10.38	10.74	11.09	11.43	11.76	12.08	12.39
5.10	7.10	8.01	8.47	8.50	8.92	9.32	9.72	10.11	10.48	10.84	11.19	11.53	11.86	12.18	12.49
5.20	7.20	8.12	8.58	8.60	9.02	9.42	9.82	10.21	10.58	10.94	11.29	11.63	11.96	12.28	12.59
5.30	7.30	8.23	8.69	8.70	9.12	9.52	9.92	10.31	10.68	11.04	11.39	11.73	12.06	12.38	12.69
5.40	7.40	8.34	8.80	8.80	9.22	9.62	10.02	10.41	10.78	11.14	11.49	11.83	12.16	12.48	12.79
5.50	7.50	8.45	8.91	8.90	9.32	9.72	10.12	10.51	10.88	11.24	11.59	11.93	12.26	12.58	12.89
5.60	7.60	8.56	9.02	9.00	9.42	9.82	10.22	10.61	10.98	11.34	11.69	12.03	12.36	12.68	12.99
5.70	7.70	8.67	9.13	9.10	9.52	9.92	10.32	10.71	11.08	11.44	11.79	12.13	12.46	12.78	13.09
5.80	7.80	8.78	9.24	9.20	9.62	10.02	10.42	10.81	11.18	11.54	11.89	12.23	12.56	12.88	13.19
5.90	7.90	8.89	9.35	9.30	9.72	10.12	10.52	10.91	11.28	11.64	11.99	12.33	12.66	12.98	13.29
6.00	8.00	9.00	9.46	9.40	9.82	10.22	10.62	11.01	11.38	11.74	12.09	12.43	12.76	13.08	13.39
6.10	8.10	9.11	9.57	9.50	9.92	10.32	10.72	11.11	11.48	11.84	12.19	12.53	12.86	13.18	13.49
6.20	8.20	9.22	9.68	9.60	10.02	10.42	10.82	11.21	11.58	11.94	12.29	12.63	12.96	13.28	13.59
6.30	8.30	9.33	9.79	9.70	10.12	10.52	10.92	11.31	11.68	12.04	12.39	12.73	13.06	13.38	13.69
6.40	8.40	9.44	9.90	9.80	10.22	10.62	11.02	11.41	11.78	12.14	12.49	12.83	13.16	13.48	13.79
6.50	8.50	9.55	10.01	9.90	10.32	10.72	11.12	11.51	11.88	12.24	12.59	12.93	13.26	13.58	13.89
6.60	8.60	9.66	10.12	10.00	10.42	10.82	11.22	11.61	11.98	12.34	12.69	13.03	13.36	13.68	13.99
6.70	8.70	9.77	10.23	10.10	10.52	10.92	11.32	11.71	12.08	12.44	12.79	13.13	13.46	13.78	14.09
6.80	8.80	9.88	10.34	10.20	10.62	11.02	11.42	11.81	12.18	12.54	12.89	13.23	13.56	13.88	14.19
6.90	8.90	9.99	10.45	10.30	10.72	11.12	11.52	11.91	12.28	12.64	12.99	13.33	13.66	13.98	14.29
7.00	9.00	10.10	10.56	10.40	10.82	11.22	11.62	12.01	12.38	12.74	13.09	13.43	13.76	14.08	14.39
7.10	9.10	10.21	10.67	10.50	10.92	11.32	11.72	12.11	12.48	12.84	13.19	13.53	13.86	14.18	14.49
7.20	9.20	10.32	10.78	10.60	11.02	11.42	11.82	12.21	12.58	12.94	13.29	13.63	13.96	14.28	14.59
7.30	9.30	10.43	10.89	10.70	11.12	11.52	11.92	12.31	12.68	13.04	13.39	13.73	14.06	14.38	14.69
7.40	9.40	10.54	11.00	10.80	11.22	11.62	12.02	12.39	12.76	13.12	13.47	13.81	14.14	14.46	14.77
7.50	9.50	10.65	11.11	10.90	11.32	11.72	12.12	12.49	12.86	13.22	13.57	13.91	14.24	14.56	14.87
7.60	9.60	10.76	11.22	11.00	11.42	11.82	12.22	12.59	12.96	13.32	13.67	14.01	14.34	14.66	14.97
7.70	9.70	10.87	11.33	11.10	11.52	11.92	12.32	12.69	13.06	13.42	13.77	14.11	14.44	14.76	15.07
7.80	9.80	10.98	11.44	11.20	11.62	12.02	12.42	12.79	13.16	13.52	13.87	14.21	14.54	14.86	15.17
7.90	9.90	11.09	11.55	11.30	11.72	12.12	12.52	12.89	13.26	13.62	13.97	14.31	14.64	14.96	15.27
8.00	10.00	11.20	11.66	11.40	11.82	12.22	12.62	12.99	13.36	13.72	14.07	14.41	14.74	15.06	15.37
8.10	10.10	11.31	11.77	11.50	11.92	12.32	12.72	13.09	13.46	13.82	14.17	14.51	14.84	15.16	15.47
8.20	10.20	11.42	11.88	11.60	12.02	12.42	12.82	13.19	13.56	13.92	14.27	14.61	14.94	15.26	15.57
8.30	10.30	11.53	11.99	11.70	12.12	12.52	12.92	13.29	13.66	14.02	14.37	14.71	15.04	15.36	15.67
8.40	10.40	11.64	12.10	11.80	12.22	12.62	13.02	13.39	13.76	14.12	14.47	14.81	15.14	15.46	15.77
8.50	10.50	11.75	12.21	11.90	12.32	12.72	13.12	13.49	13.86	14.22	14.57	14.91	15.24	15.56	15.87
8.60	10.60	11.86	12.32	12.00	12.42	12.82	13.22	13.59	13.96	14.32	14.67	15.01	15.34	15.66	15.97

(CONTINUED FROM PAGE 16)

1934. While the exact amount to be set aside for dividends can not be determined until the end of the year, the total to be distributed under the new scale will be approximately the same as for 1934, which was \$29,249,944. During the last few years of the present depression abnormal conditions have required reductions in the amounts set aside for dividends. It is gratifying to the company to find that its 1934 operations render a further reduction unnecessary. The company issued its first policy on Feb. 1, 1843—nearly 92 years ago—and has paid in dividends over \$800,000,000.

Union Central's New Rates

Net Cost Expected to Be Practically the Same on 3 Percent Forms As on Older Policies

The new 3 percent premium rates of the Union Central for the four most popular forms written are announced. There is an increase in gross premiums for ordinary life ranging from \$1.02 per \$1,000 at age 15 to \$1.75 at age 65, the increase being greater on forms requiring higher reserves. At younger ages premiums are approximately the same as those charged by other 3 percent companies, but at older ages they are somewhat less than the usual 3 percent gross premium. The ten year illustrative dividend scale which is applicable to the new forms has not been completed, but it is expected ledger cost will be practically the same as for the old forms. The new participating rates on four popular forms, per \$1,000 are:

Age	Progressive Budget				Age	Progressive Budget			
	Ord. Life	1st	2nd	3rd		Ord. Life	1st	2nd	3rd
18	18.29	10.80	12.89	14.98	43	42.84	47.97	50.54	53.11
19	18.66	11.02	13.15	15.29	44	43.92	50.54	53.11	55.68
20	19.05	11.24	13.43	15.62	45	45.05	53.11	55.68	58.22
21	19.46	11.48	13.71	15.95	46	46.26	55.68	58.22	60.76
22	19.89	11.73	14.01	16.30	47	47.54	58.22	60.76	63.30
23	20.33	11.98	14.33	16.67	48	48.90	60.76	63.30	65.84
24	20.81	12.25	14.66	17.06	49	50.34	63.30	65.84	68.38
25	21.30	12.55	15.00	17.46	50	51.88	65.84	68.38	70.92
26	21.82	12.84	15.37	17.89	51	53.53	68.38	70.92	73.46
27	22.37	13.16	15.75	18.35	52	55.27	70.92	73.46	76.00
28	22.94	13.49	16.16	18.82	53	57.14	73.46	76.00	78.54
29	23.55	13.85	16.58	19.32	54	59.14	76.00	78.54	81.08
30	24.18	14.22	17.03	19.85	55	61.28	78.54	81.08	83.62
31	24.84	14.60	17.51	20.41	56	63.57	81.08	83.62	86.16
32	25.55	15.01	18.01	21.00	57	66.04	83.62	86.16	88.70
33	26.30	15.45	18.53	21.62	58	68.68	86.16	88.70	91.24
34	27.09	15.91	19.09	22.28	59	71.54	88.70	91.24	93.78
35	27.92	16.40	19.68	22.97	60	74.61	91.24	93.78	96.32
36	28.79	16.91	20.31	23.71	61	77.91	93.78	96.32	98.86
37	29.72	17.45	20.97	24.48	62	81.49	96.32	98.86	101.40
38	30.70	18.03	21.67	25.31	63	85.35	98.86	101.40	103.94
39	31.74	18.64	22.42	26.19	64	89.50	101.40	103.94	106.48
40	32.85	19.30	23.21	27.12	65	94.00	103.94	106.48	109.02
41	34.02	20.00	24.06	28.12					
42	35.27	20.73	24.95	29.18					
43	36.60	21.52	25.91	30.30					
44	38.01	22.37	26.93	31.51					
45	39.51	23.26	28.02	32.79					
46	41.12	24.22	29.19	34.15					
47	42.82	25.24	30.43	35.62					
48	44.63	26.34	31.76	37.18					
49	46.56	27.50	33.18	38.85					
50	48.62	28.75	34.70	40.64					
51	50.81	30.09	36.32	42.55					
52	53.15	31.52	38.06	44.60					
53	55.65	33.04	39.92	46.79					
54	58.31	34.70	41.92	49.15					
55	61.16	36.45	44.06	51.67					
56	64.19	38.34	46.36	54.38					
57	67.44	40.37	48.83	57.30					
58	70.92	42.57	51.50	60.43					
59	74.63								
60	78.62								
61	82.88								
62	87.45								
63	92.33								

Age	Pay Life		Age	Pay Life	
	20	End		20	End
20	\$27.88	\$21.25	43	\$42.84	\$47.97
21	28.30	21.79	44	43.92	50.54
22	28.72	22.36	45	45.05	53.11
23	29.16	22.95	46	46.26	55.68
24	29.62	23.58	47	47.54	58.22
25	30.09	24.26	48	48.90	60.76
26	30.58	24.97	49	50.34	63.30
27	31.09	25.72	50	51.88	65.84
28	31.62	26.51	51	53.53	68.38
29	32.16	27.36	52	55.27	70.92
30	32.74	28.25	53	57.14	73.46
31	33.33	29.21	54	59.14	76.00
32	33.94	30.22	55	61.28	78.54
33	34.58	31.31	56	63.57	81.08
34	35.24	32.48	57	66.04	83.62
35	35.94	33.72	58	68.68	86.16
36	36.67	35.06	59	71.54	88.70
37	37.43	36.50	60	74.61	91.24
38	38.23	38.05	61	77.91	93.78
39	39.06	39.73	62	81.49	96.32
40	39.93	41.54	63	85.35	98.86
41	40.85	43.49	64	89.50	101.40
42	41.81	45.64	65	94.00	

Security Mutual, Nebraska

The Security Mutual Life of Nebraska announces an increase in dividends for 1935 over 1934 of 20 percent. This is a

National of Vermont Raises Retirement Annuity Rates

Decreasing interest rates have caused the National Life of Vermont to increase premium rates on retirement annuities, effective Jan. 1. There will be no change in death benefit or options as now contained in the contract. Returns per \$1,000 cash value will not be changed in the life annuity and refund annuity options. As all participating guaranteed features of the contract will be on 3 percent basis, instead of 3½ percent as heretofore, there will be a change in returns per \$1,000 cash value under the option providing life income 120 months certain. Cash value per \$100 annual premium will be smaller and annual premiums per \$10 monthly income larger.

The new rates are illustrated below per \$10 life monthly income with 120 months certain:

Age at Issue	60		65		70	
	Male	Female	Male	Female	Male	Female
25	27.26	29.56	19.70	21.37	14.54	15.67
35	45.52	49.33	31.36	34.03	22.37	24.11
45	90.66	98.33	56.09	60.83	37.34	40.26

Factors to Apply to Annual Premium to Determine Cash Value

End Yr.	End Yr.	End Yr.
1....\$ 0.62	10....\$ 10.12	40....\$ 69.64
2.... 1.55	20.... 24.46	50.... 104.46
5.... 4.53	30.... 43.74	60.... 151.25

State Mutual Is Resuming Writing of Ten Year Term

The State Mutual has resumed writing the ten year term discontinued in 1920. In the interim the company's term writings have been confined to periods of from one to five years. Rates and 1935 dividends for the ten-year term plan are:

Age	Prem.	Dividends		
		1st Year	5th Year	10th Year
20	\$11.05	\$2.82	\$2.85	\$2.85
25	11.60	2.84	2.87	2.89
30	12.35	2.86	2.90	2.92
35	13.50	2.90	2.95	2.91
40	15.35	2.94	2.95	2.96
45	18.55	2.93	3.03	3.08
50	24.10	3.00	3.20	3.25

Equitable Life of New York

The new dividend leaflets of the Equitable Life of New York will be ready for distribution in a short time. It states that the schedule calls for a moderate reduction in the 1935 apportionment. It is most evident in the case of retirement annuity contracts, where the principal element in the dividend is excess interest only. As to dividends on life policies, the reduction will, as a whole, average under 15 percent.

As an additional margin of safety, the interest payable on proceeds left on deposit will be 3.9 percent if payable annually; 3.75 percent if payable other than annually and 3.75 percent for accumulation of dividends at interest.

U. S. Estate Tax Rulings Digested; Vital Changes

(CONTINUED FROM PAGE 4)

the status of this provision in Article 25. "In the writer's opinion, the underwriters will best serve his client's interests by eliminating any and all reversionary interests until this has been adjudicated. This can be done without impairing the efficacy of the beneficiary designations or supplementary agreements."

Mr. Powers also has been asked to discuss Article 28 of the new regulations which deals with the valuation of insurance. This will appear in an early issue of THE NATIONAL UNDERWRITER.

partial restoration of dividends, which were cut in two during the worst periods in the depression.

Baltimore Agency, Phoenix Mutual Life—Led all offices of company during six weeks contest for new business, making 220 percent of quota. Over 60 percent of the applications accompanied by premium.

MUTUAL TRUST

LIFE INSURANCE COMPANY



AS FAITHFUL AS OLD FAITHFUL

A MUTUAL FULL LEVEL PREMIUM RESERVES COMPANY WRITING PARTICIPATING INSURANCE ONLY AND AT ALL AGES FROM BIRTH TO AGE 65.

RECEIVES ONE-HALF OF ITS NEW BUSINESS FROM NEW ENGLAND AND THE EAST.

Operates in the following States:

Maine	New Jersey	Minnesota
New Hampshire	Ohio	North Dakota
Vermont	Michigan	South Dakota
Massachusetts	Wisconsin	California
Rhode Island	Illinois	Washington
Connecticut	Iowa	Oregon
	Nebraska	

MEN WHO BELIEVE THEY HAVE GENERAL AGENCY QUALIFICATIONS MAY OBTAIN FULL PARTICULARS BY ADDRESSING THE AGENCY DEPARTMENT.



HEAD YOUR OWN AGENCY IN 1935

Get into the big money class. Cash in on your productive ability. We have openings for general agents in some choice IOWA—MINNESOTA—NEBRASKA territories. Unusually attractive agency contract—personal field assistance, a complete policy setup, plus the experience that comes with 29 years of service concentrated in three midwestern states. Write us at once.

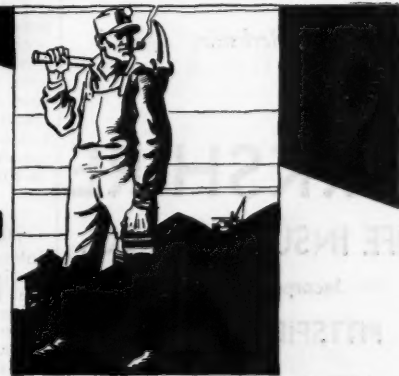
Net policy reserves over \$3,600,000.00
Admitted assets over \$4,000,000.00

The Old Line Cedar Rapids Life INSURANCE COMPANY CEDAR RAPIDS, IOWA

Colonel C. B. Robbins, President
C. B. Svoboda, Secy.—Jay G. Sigmund, Vice-Pres. & Agency Director

FOR THE WORKING MAN

A WEEKLY PREMIUM POLICY FOR EVERY INSURANCE NEED!



LIBERTY NATIONAL LIFE INSURANCE Co. BIRMINGHAM, ALABAMA

The RHODES CLUB!

*This Production Club
of the Field Force was
organized over nine (9)
years ago.*

* * *

Of the original mem-
bers (men and women)
of this club:

72½% are still active
with the company.

10% have died.

17½% are with some
other company or
are out of the life
insurance business.

WHY ARE
72½%
STILL WITH
THE COMPANY?

"Ask Any Berkshire Agent"

BERKSHIRE
LIFE INSURANCE CO.

Incorporated 1851

PITTSFIELD, MASS.

FRED H. RHODES, President

Valuations Main Florida Subject

(CONTINUED FROM PAGE 1)

dent G. W. Brown had delivered an address before the National Fraternal Congress but arrived in time to open the commissioners' meeting.

Commissioner Brown of Massachusetts reported as chairman of the executive committee on the plans for the Seattle meeting. Van Schaick of New York brought in the resolution on the marine definition and this was approved. Pope of Texas presented the compensation committee report, which was likewise adopted.

Palmer of Illinois submitted the amendment to the constitution providing the annual meeting be held in June at a place to be designated by the executive committee and an adjourned session of this annual meeting be held in New York in December.

Olsness of North Dakota said fixing the date in June would cut out the south. Gentry of Arkansas said he wanted to invite the convention to Hot Springs but June would be unsuitable, and formally entered an objection. Therefore the matter was closed at this time and the convention was put on notice that the question would be reintroduced at the next meeting, when it is expected the amendment will prevail with a two-thirds majority.

Warner of Ohio announced he would present the report of the laws and legislation committee at the executive session.

Greer of Alabama gave his address on the resident agency law, the discussion being by Heltzen of Rhode Island. Gentry gave a talk on unlicensed companies, which was discussed by Smith of Utah.

Except for the selection of Boney as president and the advancement of Van Schaick from second to first vice-president a slate had not been arranged Wednesday.

Welcomed to Florida

Many of the conventioners arrived Saturday and Sunday. A meeting of the valuations committee and one of the executive committee were held Monday.

The convention proper got under way Tuesday morning with some high powered welcoming oratory on the part of the local talent. Commissioner Brown of Minnesota, as president of the convention, was in the chair, with Commissioner Read of Oklahoma, as secretary, by his side. Mr. Brown introduced Commissioner Knott of Florida and he in turn introduced the welcomers, they being Judge C. I. Carey, former state legislator, Mayor R. G. Blanc and Sterling Bottome, president St. Petersburg chamber of commerce. Commissioner Boney of North Carolina, who will be the new president of the convention, responded.

A. S. Barnstead, commissioner of Nova Scotia, was introduced as a newcomer and made a few remarks. The other Canadian officials on hand were R. L. Foster of Ontario and B. A. Dugal of Quebec.

Judge J. C. Karel of Milwaukee, president of the Equitable Reserve Association, and head of the National Fraternal Congress, which is also in session here, was presented and made a few felicitous remarks. He said the fraternal will be gratified if the commissioners in the future show the same consideration as to security valuations as they have in the past.

Broker on Platform

The next feature was a talk by Dr. Julian Pennington of Atlanta, who recently addressed the annual meeting of the Industrial Insurers Conference in Miami. He is an expert on commercial aptitude tests.

An unexpected speaker was William Schiff of New York, president National Association of Insurance Brokers, who made an eloquent address in opposition to the limitation of operations of brokers by the various states. He said an agent in a locality has no

divine right to the business of his community. C. A. Gough, deputy commissioner of New Jersey, inquired as to what service a broker renders. Whereat Mr. Schiff pulled from his pocket a lengthy dissertation on this subject. Much merriment was caused by the drama written that afternoon by C. W. Hobbs of the National Council on the appearance of Mr. Schiff before the convention.

States Represented

The roll call revealed an attendance from about 35 states. Mr. Read, in his report as treasurer, showed a balance of \$3,772. Brown of Massachusetts and Knott of Florida were appointed as an auditing committee. Dunham of Connecticut, Graff of Pennsylvania and Senff of Kentucky were appointed as the resolutions committee. A letter from Tobin of Tennessee expressing regret at inability to attend was read.

In the evening, while most of the conventioners were in the park for a concert of the Florida Military Academy band, members of the laws and legislation committee held a session in charge of Warner of Ohio. The discussion centered about means of controlling the operations of unlicensed companies.

A resolution was prepared by the committee commending a program to eliminate unauthorized operations. It favors a law in each state denying authority to any company to operate therein if it operates in any other state on an unlicensed basis, and a law comprehensively defining an insurance contract and the transaction of insurance business. The resolution also favors federal legislation barring use of the mails to a company in any state unless an agent for service of process is designated, and further federal laws requiring an insurer in using the radio to announce the states either in which it is or is not authorized.

Mixup on Valuations Hearing

The first business of the convention was a meeting of the valuations committee over which Commissioner Van Schaick of New York presided as chairman. The meeting was held in a small room, without windows, with barely enough space for the committee members. It was started as an open session, and Mr. Van Schaick invited suggestions as to the valuation formula that should be adopted. One of the fire insurance men took the floor and recommended that last year's formula be continued without change. In the midst of his remarks, Deputy Commissioner Gough arose and announced that he did not propose to suffer the physical discomfort of the meeting room longer and he led the crowd out in search of more commodious quarters.

After getting located elsewhere Mr. Van Schaick invited further suggestions, but there was no response and the committee voted to go into executive session.

Later, it developed that various groups had desired to be heard, but hadn't discovered the time or place of the meeting.

Underestimated the Attendance

The convention was somewhat disappointing to those who were interested in the lighter aspects of such affairs. The crowd was divided between two commercial hotels, since the season had not started and the gayer and more commodious resort places were closed.

The local committee on arrangements had not been advised as to the nature and size of the gathering and was preparing for what it thought was a meeting of a small committee rather than for a gathering of some 300. Contact was made with the local chamber of commerce a few days before the meeting in an effort to provide some entertainment features and a sightseeing trip was arranged.

A dinner had been planned but the committee, not being informed as to

the convention scheme, had scheduled it for Thursday evening. Inasmuch as the convention was to adjourn Thursday noon, that was an unfortunate date and when Jess Read, Oklahoma commissioner, arrived on the scene, he sought to have the dinner changed to Wednesday. However, he found that notice had already been sent to members of the Florida Local Underwriters Association throughout the state for Thursday evening. The final decision was to cancel the arrangements and do away with a convention dinner this year.

Insurance Director Palmer of Illinois, who was to have delivered one of the formal addresses, found that he did not have time to prepare a paper and consequently this feature had to be omitted. This caused considerable regret, since Mr. Palmer has made an outstanding record in his office and is a finished speaker.

The thirsty element was disappointed to find St. Petersburg dry and they were forced to go through an arcade and ask for a guy named Jack to get a bottle.

The most popular spot among the conventioners was the municipal solarium. Here in two or three days a peaked insurance man could begin to acquire a good beach guard tan from head to foot.

Convention Notes

John J. Moriarty, agency vice-president of the General American Life, and Commissioner E. A. Smith, Jr., of Utah made the trip from St. Louis to St. Petersburg together for the commissioners convention. President G. S. Nollen of the Bankers Life of Des Moines escorted Commissioner Clark of Iowa across the country to St. Petersburg.

Alfred Mac Arthur, president of the Central Life of Illinois, arrived in St. Petersburg for the commissioners meeting last Saturday with a chess set under his arm. This greatly excited the elderly, male, green bench sitting portion of the population, who introduced themselves and threw down the gauntlet.

Fraternal Congress Holds Session in St. Petersburg

(CONTINUED FROM PAGE 9)

meeting. Arthur E. Nelson of St. Paul was in charge as president. The new president is H. W. Adams of Beloit, Wis. A. J. Calhoun of Memphis becomes vice-president and Thomas Stevenson of the Brotherhood of Railway Trainmen, Cleveland, is treasurer.

The following papers were presented: "The Fraternal Benefit Certificates as Property" by R. D. Taylor, Cedar Rapids, Ia.; "Some Recent Cases Vitiating Affecting Fraternal," by R. F. Allen of Topeka, who is secretary of the society; "Investigating Prior to Trial" by W. J. Cordes, Retail Credit Company, and "Are the Homes and Hospitals of Fraternal Exempt from Taxation," by A. W. Fulton, Chicago.

At the instance of Herman L. Ekern the congress voted to sponsor in other states laws similar to the one adopted in Minnesota about two years ago under which a society which complies with the reserve requirements may operate free from the many restrictions imposed upon fraternal. The proposal will be presented to Commissioner Riley of Mississippi, who is chairman of the fraternal committee of the Commissioners Convention.

The Minnesota law enables the fraternal to write such contracts as their by-laws permit without statutory restrictions on such matters as beneficiaries, age limits and endowment policies.

The subcommittee of six of which Mr. Tolverson is chairman will act as an agency to function in connection with defaulted municipal bonds. The meeting will be held in Chicago Dec. 28 and plans will be made to have the committee operate from the Chicago office.

SALES IDEAS AND SUGGESTIONS

Sells Business Insurance to Firms "in the Red"

Capitalizing on firms that are losing money and turning that factor into an argument for partnership insurance was recommended by F. L. Bettger, one of the leading producers of the Fidelity Mutual Life, in his address at the meeting of the Plico Club at the home office of the Philadelphia Life.

Not only did he recommend this capitalizing the fact that prospects were in the red, but he asserted that he himself was doing so and that he had studied the question for several years to find out "how I could build up a sales talk on a company that is in the red."

He cited several sales that he had made, giving the arguments and the methods he had used. His plan in a nutshell, is this:

Business Insurance Solved Problem for Old Man

He told of one case of a man 66 years old who telephoned to say that he would have to drop some of his insurance. He had been, in the past, getting \$12,000 a year, plus his dividends. But the company was losing money and he was drawing only \$4,000 a year. Being in the neighborhood, he would drop in immediately.

After listening to his policyholder's story, Mr. Bettger said: "Very few companies will insure you now. When you took this insurance you needed it, didn't you? Isn't it a fact that you need it more now?"

The man agreed. It wasn't cash he needed, he said. He simply wanted to get the premiums off his mind. Mr. Bettger then pointed out that he could borrow on his policy to pay the premium. Business was improving and in another year things might be back to normal. The man agreed and was relieved.

He left and so did Mr. Bettger. In the lobby of the building, Bettger took him to one side and asked:

"If anything happens to you, who is going to run the business?"

He was told the president of the firm.

"And if anything happens to him, you

will. With him gone, it will throw a tremendous burden on you. The business is in the red now and if he dies, it may go still more in the red. And whom will they blame? You? They'll say you're an old man. His family can come down on you like a ton of bricks. Know what they can do? They can fire you."

The prospect admitted that he had been worrying about it. But what could he do? "Corporation insurance. When Harry dies, you buy out his family and the business is all yours."

The prospect said that he would talk to the president but Mr. Bettger said: "Oh, no, let me talk to him. He might think it a selfish thing for you to do. Let me. That's my job as a salesman."

Four Steps and First Is Medical Examination

And to the president he offered this argument: "The business is losing money now. How then can it give your family money? Who is going to run the business if you die? That old man? It will kill him."

He said that he told his prospects that there were four steps:

1. Examination to see if they were insurable.

2. Place value on your interest in the business.

3. If you're insurable, how much of your interest do you want to insure?

4. Draw up agreement.

The last three steps, he said, usually take considerable time so the thing to do was to take the examination first and see if the plan could be put into operation.

Argument That Hit the Spot in the Canvass

On one case, which netted him a \$150,000 policy, he used this argument:

"How much will it cost? You know you are losing money. That is why I am here. If you die, it might wipe out your estate. What is the amount of your payroll? Do you think it is too large? No? Then why not think of this as part of payroll? As of a very valuable employee being put on your payroll. And, if you live, you are building up an additional reserve."

Mr. Bettger told his audience that the methods used in the sale of life insurance ten years ago, fail today. He cited a recent case. He had been given the name of a man 38, who was head of a new business. He had written him and

tried to see him and finally got him on the phone. The prospect interrupted to say that he was carrying \$100,000 and that it was impossible for him to take any more.

"What I really wanted to talk to you about," replied Bettger, "is your business. You are putting considerable money and time into it. If you die tonight, it might be a very hazardous investment."

"My thought is for your corporation to insure your life. If you die, your family is paid off and the corporation gets the business. If you should die tonight, your business may fail and your widow gets nothing."

The prospect said he was interested and agreed to be examined.

Illustrating the old manner in which business insurance was sold and a manner in which he believed it would be sold again soon, Mr. Bettger told of the first case he sold by himself.

Fear of Estate Control Hangs Over Business

Four men, who were between the ages of 51 and 61, owned 10/15 of the stock. The balance was owned by estates. If one more died, it would be controlled entirely by widows and lawyers. He filled them with fear of estate control.

Incidentally, he continually stated through his talk that one of the biggest sales arguments was the fear of widows and families stepping into the business.

He related that he recently ran into a registered partnership, where the liability was limited to the capital. Four men—78, 71, 67 and 47—owned the business. He knew that the three older men were not insurable but he had them all examined. Only the younger man was approved. He was informed that as he could only get one policy, business insurance was out of the question.

So he starting talking about their merchandise and their building and whether it was all insured. It was and for the full amount.

"Suppose you had four buildings," he asked, "and the insurance companies refused to insure three of them, wouldn't you insure the fourth?"

He was answered in the affirmative and then went on to liken the younger man to a building and to argue the need of the three older men insuring him.

Sales Increases Reported

Frederick Bruchholz, Chicago Clearing House branch, New York Life—Paid for \$1,650,860 in October-November contest or 180 percent of quota. New organization business quota for year doubled, ahead of paid pro rata quota on Dec. 1.

W. M. Hammond, Los Angeles, Aetna Life—November gain of 30 percent in new business.

C. L. U.

The Kansas City C. L. U. chapter has elected these officers: President, Bert B. Boyd, Northwestern Mutual; vice-president, Dix Teachenor, Kansas City Life; secretary-treasurer, Mary C. Wade, Penn Mutual. Ralph Rice, Jr., National Fidelity Life, retiring president, becomes chairman of the executive committee.

More than 30 are taking the C. L. U. course being given there this winter by O. J. Neibel, Penn Mutual.

* * *

Bernard Vise, Imperial Life, has been elected chairman of the newly organized Toronto C. L. U. chapter. N. B. McKibbin, Dominion of Canada General, is vice-chairman, and Eric Troop, Canada Life, secretary.

* * *

Three study groups are being conducted by the Pittsburgh Chartered Life Underwriters. The Pittsburgh chapter will hold a series of meetings with speakers on specialized subjects, featuring the use of knowledge acquired in C. L. U. work. A. F. Hass, manager of the Mutual Life of New York, is president of the Pittsburgh C. L. U.

Record Volume Is Produced in Annual Football Contest

Record volume, both in the Chicago district and outside territory, was recorded by the central department of the Equitable of New York in the annual November football campaign. There were 10,722 applications received, a gain of 4,308 over the campaign last year, or 67 percent. The volume was very greatly increased over last year, being \$39,900,000 in the month, an increase of \$18,670,000, or 87 percent over November, 1933.

The Chicago agencies' volume was \$13,007,070, compared with \$6,349,000 in November last year or more than 100 percent increase, and the outside agencies volume \$26,885,653, against \$14,000,000 last year, or 85 percent increase.

The leading Chicago unit was that of H. A. Sloan, assistant agency manager W. V. Woody agency, who submitted 195 applications. Leading outside unit manager was F. E. Sexton, Sioux Falls, S. D., attached to the Krueger agency of St. Paul, who submitted 319 applications.

There was a special contest among Chicago unit managers, the winners to be guests of the losers at a dinner Dec. 12. Emphasis in the 1934 campaign was placed largely on number of applications secured.

Your Company Connection Should Be More Than Just An Agency Contract. You Want—

- a sound, conservative Company.
- a Company which will not sell out nor reinsure.
- low cost insurance to sell.
- liberal commissions including renewals which are vested.
- unrestricted territory; equal opportunity; the right to build an agency of your own.

Agents of **Gardian Life**
enjoy these features to the fullest possible extent.

For Information, write

Gardian Life
Insurance Company

Home Office, Madison, Wis.
PAUL F. CRANFIELD
Director New Business Dept.

H. B. Hill Meets With Tragic End

(CONTINUED FROM PAGE 3)

ment in the purchase of the Abraham Lincoln Life. Then for the second payment, an attempt was made to draw on the account of the Abraham Lincoln Life in the bank, but the scheme was nipped in the bud when Van Derck confessed what was being done. The plot involved not only the looting of the Abraham Lincoln Life, but the purchase of a bank of Indianapolis with the Abraham Lincoln Life assets. It was also the plan to substitute for good securities

of the Abraham Lincoln Life low priced stolen bonds bought from criminals.

Mr. Hill had always borne a good reputation. He had been in the insurance business for many years. He was born Feb. 28, 1882, on a farm near Green City, Mo. He went to the State Normal School at Kirksville, Mo., and Gem City Business College at Quincy, Ill. He started his career in a bank at Green City, Mo., and later became cashier. He decided to enter life insurance and took a rate book for the Bankers Life of Des Moines. Later he became general agent at Springfield for the Central Life of Illinois, then located at Ottawa. In 1914, with several associates he organized the Commercial Health & Accident of Springfield and in 1916 he started the

Mutual Life of Illinois. The Mutual Life of Illinois, which was licensed for life, health and accident, took over the Commercial Health & Accident and later changed its name to the Abraham Lincoln Life. The Springfield Life was merged with the Abraham Lincoln Life in February, 1931. The Springfield Life had taken over the Court of Honor, a fraternal.

Mr. Hill, through the medium of the Abraham Lincoln Life, promoted the Abraham Lincoln Hotel at Springfield; its securities held by the Abraham Lincoln Life were more or less a millstone. Mr. Hill was elected secretary of the Financial Section of the American Life Convention for 1933 and at the gathering in October in Chicago he was chosen chairman. Immediately on account of the spotlight being turned on the Abraham Lincoln Life, he resigned as chairman. Since then Harry W. Wade of the United Mutual Life of Indianapolis has been acting chairman.

Perhaps the death of Mr. Hill will remain more or less of a mystery. There are motives both for murder and suicide. While it has been inconceivable to Gustaf Lindquist's friends that he became linked with men of criminal intentions, yet as time went on it was evident that he had close contact with them. Mr. Hill perhaps was ignorant at the beginning that the men behind Mr. Lindquist were those of sinister mien. Later on Mr. Hill evidently had intercourse with these people and knew their complexion. Friends of both men, from a charitable viewpoint, take the position that they were innocently brought into the picture in the first place and later, finding themselves in the clutches of gangsters, did not know how to get out. Mr. Hill undoubtedly had some inside facts that would be of great importance to the authorities in prosecuting those charged with the conspiracy. Therefore, the murder motive was a strong one.

Then again, Mr. Hill, finding himself on the spot and the expose being broadcast all over the land, his pride was severely wounded and his reputation ruined. Then again, it was known that he was financially embarrassed. He was seeking funds and as he carried a considerable amount of life insurance, that was one way out. Whatever the future had in store for him, his reputation in life insurance was ruined. He had been called before the state's attorney at Springfield for a searching grilling on some actions of his with his company. That would furnish the suicide motive.

Attorney J. P. Evans of Chicago, who has represented Mr. Hill and the Abraham Lincoln Life in that city, contends that there is every evidence of murder. He said that he had a conference with Mr. Hill Friday of last week and made arrangements for him to go to Chicago Tuesday of this week and tell all that he knew about the Lindquist purchase of stock. Assistant State's Attorney Thompson at Chicago stated that Mr. Hill had made an appointment to see him Tuesday and make a full statement regarding the Baiata plan. Close friends and relatives of Mr. Hill still maintain that he was a victim of murder.

SUICIDE THEORY STRENGTHENED

SPRINGFIELD, ILL., Dec. 6.—The suicide theory of Mr. Hill has been greatly strengthened when it was discovered that he purchased the revolver found in his car by him at Beardstown at the Frey Hardware store. An employee in the store, who sold the gun, has identified Mr. Hill as the purchaser. This was done Saturday afternoon. The bullets that were shot into the car from the outside are found to have come from the same gun after investigation by ballistic experts. This is now believed to have been a subterfuge to cover up suicide. Found on Mr. Hill's person was a telegram from the deposed president, Gustaf Lindquist, still at large and not located, dated Nov. 19 from St. Paul reading, "Sorry. Unable to attend meeting. Sit tight. Everything will be all right. Keep confidential."

Mr. Hill had been called on the carpet a day or two before his death by the prosecutor of Sangamon county,

Dinners on Thanksgiving for Children Are Insured

Free Thanksgiving dinners are served annually to several hundred poor children in Des Moines by Tom Ralles, prosperous restaurateur man. W. C. Robinson, Bankers Life of Des Moines agent, wondered what would happen to this free dinner plan in case Mr. Ralles shouldn't be here to look after it himself. He told Mr. Ralles how a Bankers Life policy could make sure of free Thanksgiving dinners for the poor children. The result is a Bankers Life policy which provides \$500 on each Thanksgiving to be used for providing the free dinners.

Ill., and had been subjected to a three hours' grilling. It is understood the state's attorney of Cook county was also investigating Mr. Hill's record.

Mr. Hill's funeral was held Monday morning at his home, Rev. J. P. Thomas of the First Presbyterian church officiating. The Abraham Lincoln Life head office was closed during the time of the funeral.

Program to Check Unlicensed Offices

(CONTINUED FROM PAGE 3)

they might be required to stand trial along with the agent who solicits business for them in a state in which the company is not admitted.

Commissioner E. A. Smith, Jr., of Utah, who was assigned to discuss Mr. Gentry's paper, declared that he concurred in the conclusions and recommendations of the Arkansas commissioner.

In each state, he said there should be a statute declaring that all insurance activity of any nature should come under the supervision of the insurance department. There should be a provision that no state officer could grant articles of incorporation to any outfit, the purpose of which, either directly or indirectly, is to carry on insurance activities until approval of the insurance commissioner is obtained. He also favors in each state a law providing that any domiciled company operating in violation of the laws of any other state would be liable to revocation of charter.

Much can be done through education and publicity, he said.

Mr. Smith agreed that there should be federal legislation, barring the mails to unlicensed operators. The state officials, he said, can regulate insurance and do a good job of it, when it concerns the activity of admitted companies within their own state. But the federal government should step in when a California company solicits in Utah or a Utah company solicits in New York or Connecticut, etc., through the mail.

He urged the commissioners' convention officially to request federal legislation.

In one of the western counties of Utah last year unauthorized companies collected \$12,000 in premiums, he said. It is estimated that during the past year there has been paid to these concerns the sum of \$50,000,000. He said any insurance commissioner has personal experience of claim practices of unauthorized companies. He told of some of his experiences. One company stated that claimants must wait for their money because of the fact that five other claims had been presented during the month. Another company satisfied a claim under a \$500 certificate for the sum of \$18.53 and advised another claimant for \$1,500: "If and when this claim is approved we would say that if there is produced \$250 you will be fortunate. Understand that we do not say that there will be \$250. We cannot tell what the proceeds of the assessment call will be until after it is complete and the cash counted."

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RECENT COURT DECISIONS

Special Inducement Policy

Court Holds Against Insured Who Sought Continued Benefits Under Contract, Now Outlawed

A decision favorable to the State Life of Indiana has been handed down by the California district court of appeals, third appellate district, in a case involving benefits under a special inducement policy. The assured was Hine.

In 1902, the State Life issued to Hine a policy in the amount of \$10,000, which is still in force. This was a 20-payment, deferred dividend life policy, the State Life agreeing that if Hine paid the annual premiums for 20 years he would then be entitled to receive all dividends that had accrued up to the end of that period and would be insured for the rest of his life without payment of any premium. Hine was given two special agreements, called "D. of I." contracts, designating him as a member of the department of information and inspection of the State Life and providing for the payment to him "as compensation for his services each year during the continuance of this contract, one-sixtieth of 1 percent of all premiums the State Life received in cash, during the preceding year on insurance written in California, from the date of the contract up to 1921." The policy matured in 1922 and the State Life tendered to Hine this percentage of its premiums on insurance written in California before 1922. Hine refused to accept the payment, claiming he was entitled to receive the "D. of I." percentage for the years following 1922 as well as the years before. Hine contended that the parties, in their correspondence, entered into a new contract by which the terms of the original "D. of I." agreements were amplified.

The higher court held that the correspondence does not indicate an intention on the part of either of the parties to make a new contract or to modify their existing rights in any respect. There is no expression of any desire to make a new bonus agreement. In fact, such an agreement, if made, would have been contrary to law, for insurance companies were prohibited in 1917 from offering special inducements not set out in the policy.

Holds for Insurer in Case of Jurisdictional Amount

The amount in controversy in a suit for total and permanent disability benefits is not the accrued indemnity benefits but either the face of the policy or the amount of the reserve that the insurer will be required to set up in event the policy remains in force. This was the decision of the United States district court of the district of Minnesota in denying a motion of the plaintiff to have the case remanded to the state court on the ground that the matter in controversy did not exceed \$3,000.

Seek to Reinstate Policy

The case was Thorkelson vs. Aetna Life. This is an action in which Thorkelson seeks to have reinstated a life insurance policy. The Aetna Life contended that if it is required to reinstate the policy, it will be required to maintain against liability on account of the disability provision a reserve in excess of \$3,000 and waive premiums of \$156.50 per year until the death of Thorkelson and upon his death to pay a death benefit of \$5,000, "all of which is the amount in controversy in this action."

The federal court therefore held that the amount in controversy exceeds \$3,000.

Combination Policy Danger

Incontestable Clause in "3-in-1" Contract Held to Apply to A. & H. Feature as Well as Life

Possible danger in companies selling combination life and accident and health policies, in which the fact of the combination is strongly emphasized, is illustrated in the case of Northern Life vs. Christie, et al, on which a decision has recently been handed down by the Washington supreme court.

The policy on which the action was based was the so-called "3-in-1" contract, which is pushed by the Northern Life. This provides combined life, health and accident protection.

The Northern Life sought to cancel the policy of accident and health insurance on the ground of alleged fraud in procuring the policy and to recover \$5,680 which had been paid out in monthly indemnities. The Northern Life contended that the one year incontestability clause in the policy referred only to the life insurance feature.

The supreme court held that as a matter of construction the incontestable clause cannot be tied in with the statute so as to make it applicable only to the life insurance portion. There is no statutory provision upon this subject with respect to accident and sickness insurance nor is the provision for incontestability after one year, in that kind of insurance, in any way contrary to public policy. Such a clause, the court held, can relate to no other kind of insurance in this particular contract than that of accident or health. The case must be determined upon the facts which include a persuasive "3-in-1" policy and made still more persuasive by being incontestable after one year with respect to sickness and health indemnity.

May Start Separate Suits Against the Same Company

Separate actions may be brought under different policies in the same company on the life of one individual, the Arkansas supreme court has held in State Life vs. Goodrum.

The State Life issued two policies on Goodrum. After the death of Goodrum, proof of loss under each policy was made and liability was denied. A suit was instituted upon the first policy and judgment was rendered in favor of the beneficiary. Then suit was started under the second policy. The State Life contended that the beneficiary was required to prosecute and maintain in one law action all demands which were had or held against the State Life.

The Arkansas supreme court held that the insured's death was not the basis of the cause of action, that the basis of the suits were the respective contracts of insurance. Two separate and distinct causes of action were created.

No Double Indemnity

The United States Circuit Court of Appeals, fifth circuit, Georgia, has affirmed judgment for defendant in Davis vs. Jefferson Standard Life involving double indemnity provision.

The assured died on the operating table and the widow endeavored to collect on the double indemnity provision. In one count, the anesthetic was put up as the direct cause of death.

The higher court holds that the fatality cannot be said to have been effected solely by this external "violent" means, because it was due also to the internal bodily weakness without which there would have been no death. The court

says that this was also a "bodily infirmity" within the clause of exceptions, for infirmity includes abnormal weakness as well as acute disease.

Another count alleged bodily injuries sustained in an automobile accident on April 22, as the sole cause of the insured's death on April 25. The court says the claim of any traumatic injury to the heart in the sliding of the automobile from the road without overturning is wholly fanciful.

Finds Special Deal With Undertaker Questionable

The Georgia supreme court recently overruled a lower court, which had dismissed the petition of several undertakers for an injunction against the Gulf Life which had made a deal with Hammett & Groover, undertakers, under burial policies, which had been sold quite widely. The case was Blackmon, et al, vs. Gulf Life, et al. Blackmon was one of a group of complaining undertakers. The supreme court said the burial policy issued by the Gulf appears to be a competitive instrument, yet as against a general demurrer the petition sufficiently alleged an intention on the part of the Gulf Life and Hammett & Groover to create a monopoly and the actual creation by them of an illegal combination to drive Blackmon and the other complaining undertakers out of the business and to secure for themselves entire control of such business in a specified territory with the intended result that competition would be destroyed and Hammett & Groover enabled to set their own prices. As Blackmon and the other undertakers bringing the complaint were engaged in the undertaking business and were suffering special injury from the alleged illegal combination of the Gulf Life and Hammett & Groover they were entitled to maintain the suit for injunction in their own names, without first seeking relief from the insurance commissioner, and without abiding the action of this or any other officer in behalf of the state. It was an error on the part of the lower court to sustain the general demurrer.

Surrender Accomplished By Promise to Pay

When an insured requests the surrender of a policy and the insurer promises to pay the surrender value, thereupon the surrender value and obligation to pay become fixed in accordance with contract rights, and the rights are not changed by death of the insured, nor is the accomplished surrender obviated. This was the decision of the Michigan supreme court in holding for the insurer in Mrs. Lauer vs. Michigan Life. Lauer was the insured.

On May 5, 1932, desiring to obtain the surrender value of the policy, he sent to the Michigan Life a receipt printed on the policy, signed by himself and Mrs. Lauer, in order to accomplish that end. An agent of the Michigan Life at Saginaw forwarded the policy and receipt to the Michigan Life and on May 13, 1932, wrote Lauer that the surrender value of \$144 would be paid on or about July 8, 1932. It was not so paid and Lauer, on July 15, made written inquiry as to the reason. On July 17 he died suddenly and the agent at Saginaw was notified the next day. On July 19 the agent reported the death of Lauer to the Michigan Life, which thereupon, sent a check for the surrender value of the policy dated July 15. Mrs. Lauer refused the check and brought suit.

Assured Protected When the Policy Is Reassigned

An insurance policy being assignable but not negotiable, the reassigned has no greater right than the assignee, according to the Arkansas supreme court in Corning Bank & Trust Co. vs. Foster.

Foster became indebted to Dr. Blackwood and executed unconditional assignment. Dr. Blackwood assigned the policy to the First National Bank to secure an indebtedness. Foster became disabled and the insurance company made payments, some of which were paid to the bank and credited to Dr. Blackwood's indebtedness.

Foster brought action alleging his assignments to Dr. Blackwood were intended only to secure payment of a debt and that the debt had since been paid in full. He contends that the Corning Bank & Trust Co. has no greater title than Dr. Blackwood has. Foster obtained a favorable decision in the lower court and the bank appealed.

The supreme court held there was positive, undisputed testimony of both Dr. Blackwood and Foster that the assignments were tendered only for the purpose of securing the indebtedness to Dr. Blackwood. The assignment is not void, although there may be no insurable interest, but since the policy is assignable but not negotiable, the assignee of Dr. Blackwood had no greater right than Dr. Blackwood. The bank knew that the original assignment to Dr. Blackwood was for the purpose of securing a debt.

Policy Held Forfeited

The Illinois appellate court, 4th district, has decided in favor of the Illinois Bankers Life that there was forfeiture of a policy on the ground that it cannot be held that any money in the hands of an insurance company from any source belonging to the assured must, without regard to the terms of the contract or the wishes of the assured, be applied to the payment of delinquent premiums so as to prevent lapse. The case was Vick vs. Illinois Bankers Life.

Vick was the beneficiary in three policies issued by the Illinois Bankers Life, which pleaded forfeiture for non-payment of premiums. Vick contended that there was sufficient money in the hands of the Illinois Bankers Life to pay all instalments due on the three policies. No premiums were paid after July 1929. In May of 1929 the assured had made a claim for total and permanent disability, which was denied. This left an open question whether the Illinois Bankers had funds belonging to the assured, who died in 1932. Assuming that the company was indebted to her, the question was whether the Illinois Bankers could have paid the delinquent premiums out of the funds and was it obligated to do so?

Ruling on Proof

A disability case has been decided by the New Jersey court of errors and appeals in Baylor, Jr., vs. State Mutual. The court held that a policyholder was entitled to disability payments when he became mentally and physically disabled during the grace period for the payment of the next premium and by reason of such disability could not and did not give notice for proof thereof to the company until almost 22 months after the grace period expired. The disability provisions of the policy, the court held, are construed so that the occurrence of the very contingency that the policyholder was insuring against should not deprive him or his beneficiaries of the benefit of his contract.



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